TRANSMISSION PROVIDER'S RESPONSES TO RÉGIE DE L'ÉNERGIE'S REQUEST FOR INFORMATION NO. 2 TO THE TRANSMISSION PROVIDER

> Translation commissioned by NEWFOUNDLAND AND LABRADOR HYDRO (NLH)

RÉGIE DE L'ÉNERGIE'S **R**EQUEST FOR INFORMATION NO. 2 TO THE **T**RANSMISSION **P**ROVIDER RESPECTING THE NETWORK UPGRADE POLICY

Regulatory Framework

1. **Reference:** Exhibit B-0016, p. 10.

Preamble:

"The commitments and financial contributions made by transmission service customers are recorded, as stipulated in the Transmission Tariff, in service agreements, connection agreements or capacity increase agreements in the case of generating station owners, and in administrative agreements with the Distributor in the case of calls for tenders or purchasing programs.

Transmission service customers that execute connection agreements or transmission service agreements with the Transmission Provider for network upgrade projects are subject to established contractual frameworks which determine their financial contributions to the projects in question."

Request:

1.1 Please produce a model generating station connection agreement.

R1.1

The model generating station connection agreement is presented in Exhibit HQT-4, Document 1.1.1.

Principles

- **2. References:** (i) Exhibit B-0015, p. 5;
 - (ii) Exhibit B-0022 p.18;
 - (iii) Exhibit B-0022 p.19.

Preamble:

(i) "*R1.4*

Section II of the Direct Testimony of Judy W. Chang discusses the general principles used to guide the allocation of costs for network upgrades in the U.S. In general, there are two general principles that guide the allocation of costs for transmission network upgrades. These include:

1) Ensure equitable treatment and non-discriminatory open access to the transmission system and; 2) Protect existing customers from undue cost burdens induced by other customers that request transmission service. The above principles were outlined by FERC as part of the electric sector restructuring that occurred during the early 1990s and were designed to ensure that its "transmission pricing policies promote economic efficiency [and] reflect a reasonable allocation of transmission costs among transmission users." FERC has not altered these policies fundamentally since then. Specifically, FERC designed the "higher of" pricing policy as part of its transmission policy during the restructuring era. The goal of the « higher of » policy is to ensure that existing (and growing) native load was protected, while the wholesale market developed during the restructuring, allowing new transmission users to interconnect to the existing transmission network that was dominantly funded by existing native load. FERC's "higher-of" pricing policy maintains the principles stated above by allowing the transmission provider to charge a customer the higher of the « embedded cost » and the « incremental cost » of the network upgrade project. That is, if the incremental cost of the upgrade caused by the customer's new service request is greater than the embedded cost, the transmission service provider has the option to charge the requesting customer the incremental cost of the system upgrades that the customer had induced. If the incremental cost associated with the system upgrade is lower than embedded cost, the transmission provider can charge the embedded cost. Thus, the transmission service provider may charge the higher of the embedded or the incremental cost, but not both. [emphasis added]

Requests:

2.1 Using a numbered illustration, please provide an example in which FERC's "higher of" principle is applied for transmission providers under its jurisdiction. More specifically, please detail, for each of the cases stipulated in the preamble, the calculation of costs that are to be borne by the customer affected by the network upgrades, on the one hand, and the transmission provider, on the other.

R2.1

Under FERC's "higher of" policy, a transmission provider charges the higher of the incremental cost rate or the embedded cost-rate with the cost of the upgrades rolled-in.

Table 1 below shows an illustrative example of how FERC's "higher of" policy has been implemented. For a hypothetical \$80 million incremental upgrade requested by a Point-to-Point customer, for a 100 MW, 20-year transmission service agreement.

FERC does not prescribe a specific methodology for implementing the "higher of" principle. However, the illustrative example shown in Table 1 is based on an FERC-approved methodology in FERC Docket No. ER03-363, but with cost of capital, tax rate and O&M assumptions that are consistent with HQT's numbers.

In Table 1, the rolled-in rate with the new upgrade is compared to the incremental rate. First, the levelized incremental rate for a 100 MW, \$80 million project is calculated, as shown in Row [e]. For illustration purposes, the levelized incremental rates in this example is calculated using HQT's cost of capital, tax rate and O&M percentage. Next, using HQT's current System Average Rate in Row [f] and the 2014 Revenue Requirement in Row [g], the table shows that the rolled-in rate, with the cost of the \$80 million project included, would increase the existing \$74.65/kW-year rate (shown in Row [f]) to \$74.66/kW-year (shown in Row [i]). Thus, with the higher of policy, it is expected that the transmission provider would charge the Point-to-Point customer the incremental rate, which is the \$80.75/kW-year.

4	Assumptions:	
	Cost of Capital:	5.67%
ŀ	Tax Rate:	3.99%
	O&M Percentage:	15.00%
	FERC's Higher-Of	
	Project Cost (\$ Millions)	80.0
	Project Billing Units (MW)	100
	Project Cost (\$/kW)	800.0
	Service Length (Years)	20
	Levelized Incremental Rate (\$/kW-Year)	80.75
	System Average Rate (\$/kW-Year)	74.65
	2014 Revenue Requirement (\$ Million)	3,138.80
	Billing Units (MW)	42,047
	Rolled-in Rate (\$/kW-Year)	74.66
	Incremental Rate Charged (Y/N)	Y

Table 1: FERC's "Higher Of" Methodology Calculation

Notes:

Cost of Capital, Tax Rate and O&M taken/calculated from HQT-2, Table 1.

[a] - [b], [d]: Assumed. $[c] = [a] \times 1,000 / [b].$ [e]: See Table 2. This is the levelized incremental rate using the project cost in [c]. [f]: Current HQT Tariff. [g]: See http://www.regieenergie.qc.ca/documents/rapports_annuels/rapp_ann_2013- $[h] = [f] \times 1,000 / [g].$ $[i] = (([e] \times [b]/1,000) + [g]) \times 1,000/([h] + [b]).$ [j]: If [e] is > [i], then Y, otherwise, N.

Table 2 below shows the derivation of the levelized incremental rates utilizing the FERC-approved methodology. The first column shows the project cost with tax gross up. The second shows the net present value of the O&M over the 20year period of the transmission service agreement. The third column shows the levelized annual revenue requirement which is calculated by amortizing the sum of the project value with tax gross up and O&M over the 20-year period. The final column of the table shows the levelized incremental rate.

	Under "Hig	ner Of" N	lethodology	
Assumptions:				
Estimated Project (Cost (\$)		80,000,000	
Before Tax CoC			5.67%	
O&M Expense Rate			1.27%	
Tax Rate			3.99%	
Associated Project	Billing Units (MW)		100	
			Levelized	
Investment w/ Tay			Revenue	levelized
Gross Up	O&M NPV	Term	Requirement	Rate/kW-Year
\$83,188,754	\$11,999,685	20	\$8,075,365	\$80.75

Table 2: Calculated Levelized Incremental Rate Under "Higher Of" Methodology

Notes:

Investment with Tax Gross Up equal to Estimated Project Cost x 3.99% plus original project cost.

O&M NPV is the NPV of the O&M over the specified period.

Annual revenue is calculated as the ammortization of the investment w/ tax gross up plus O&M NPV at the before tax CoC.

The Rate/kW-year is calculated by taking the annual revenue divided by 100,000 kW.

2.2 Please compare the results obtained with those that would have been obtained with the Transmission Provider's proposal.

R2.2

Table 3 below compares the results using the FERC's higher-of policy with HQT's upgrade policy for the same \$80 million incremental upgrade requested by a Point-to-Point customer for a 100 MW, 20 year transmission service agreement, as presented in response to 1.1.

	Assumptions:	
	Cost of Capital:	5.67%
	Tax Rate:	3.99%
	O&M Percentage:	15.00%
	HQT's Methodology	
[a]	Project Cost (\$ Millions)	80.0
[b]	Project Billing Units (MW)	100
[c]	Service Length (Years)	20
[d]	Max Allowance (\$/KW)	598
[e]	Max Amount (\$ Million)	59.8
[f]	Rolled-in and Recovered through Rates	59.8
[g]	Total Cost Recovered	80.0
[h]	Customer Contribution (before O&M & Taxes)	20.2
	FERC's Higher-Of	
[i]	Project Cost (\$ Millions)	80.0
[j]	Project Billing Units (MW)	100.0
[k]	Project Cost (\$/kW)	800.0
[I]	Service Length (Years)	20.0
[m]	Levelized Incremental Rate (\$/kW-Year)	80.75
[n]	System Average Rate (\$/kW-Year)	74.65
[0]	2014 Revenue Requirement (\$ Million)	3,138.80
[p]	Billing Units (MW)	42,047
	Rolled-in Rate (\$/kW-Year)	74.66
[r]	Incremental Rate Charged (Y/N)	Y
[s]	Difference between Incremental and System Avg Rates (\$/kW-Year)	6.10
[t]	Annual Difference between Incremental and System Avg (\$ Million)	0.61
[u]	NPV of Annual Amount Diff (\$ Million)	7.19
[V]	NPV of Annual Amount Diff Less O&M and Taxes (\$ Million)	6.05

Table 3: HQT vs. FERC's "Higher Of" Methodology Comparison

Notes:

Cost of Capital, Tax Rate and O&M taken/calculated from HQT-2, Table 1. [a] - [c], [i] - [j], [l]: Assumed. [d]:Maximum allowance. [e] = [b] x [d] / 1,000. [f] = [e]. [g] = [h] + [f].[h] = max of zero and [a] - [e]. [k] = [i] x 1,000 / [j]. [m]: See IR 1.1, Table 2. This is the levelized incremental rate using the project cost in [k]. [n]: Current HQT Tariff. [o]: See http://www.regie-energie.qc.ca/documents/rapports_annuels/rapp_ann_2013-2014_ang.pdf $[p] = [n] \times 1,000 / [o].$ [q] = (([m] x [j]/1,000) + [o]) x 1,000/([p] + [j]).[r]: If [m] is > [q], then Y, otherwise, N. [s] = [m] - [n]. [t] = [s] x [j] / 1,000. [u] = PV of [t] using assumed cost of capital, over 20 years. [v] = PV of [u] using assumed cost of capital, over 20 years, excluding O&M and Taxes.

As shown in the table above, under HQT's upgrade policy approved by the Régie, a customer triggering the upgrade would provide Contribution (before

O&M and taxes) of \$20.2 million (row [h]) while \$59.8 million (row [f]) of the project cost would be rolled into embedded rate base and recovered through tariff rates charged. In the case of FERC's higher-of policy, the customer would be charged the levelized incremental rate of \$80.75/kW (row [m]) and result in the customer paying an incremental \$6.05 million (before O&M and taxes) (row [v]) in net present value relative to the net present value of paying the embedded system rates over the 20-year period.

Being similar in principle, FERC's higher-of and HQT's Maximum Allowance both result in requesting the customer to pay an incremental amount for the same triggered hypothetical network upgrade.

However, the specific application of FERC's higher-of policy in the hypothetical example is different from the HQT's Maximum Allowance, which results in different amount of incremental cost paid by the requesting customer (\$20.2 million under HQT's Maximum Allowance vs \$6.05 million under the hypothetical example of FERC's higher-of policy). The hypothetical example of the FERC's higher-of policy assumes a flat benchmark system average rate across the contract period, while the HQT's Maximum Allowance calculation uses a traditional declining revenue requirement, as approved by the Régie.

HQT's Maximum Allowance calculation produces conservatively higher incremental payment, compared to the amount implicit under the FERC's higher-of policy, in respect of the regulatory history and requirements in Québec. The method used to calculate the Maximum Allowance is conservative in the sense that it better protects existing customers from excess upgrades costs caused by one customers' service request. This conservatism is also consistent with the fact that the method is applied to both native load and pointto-point, as requested by the Régie, whereas in the U.S., the FERC's higher-of policy is typically only applied to Point-to-Point transmission service.

2.3 Please specify when the costs of these upgrades will be paid by the customer affected.

R2.3

In the U.S., a point-to-point customer pays for the cost of the upgrade through the transmission tariffs during the term of its service contract. It is my understanding that in Quebec, a point-to- point customer pays for the rolled-in portion of the upgrade cost through the transmission tariffs during the term of its service contract and also pays a Contribution for the costs above the Maximum Allowance at the time of the commissioning of the transmission project.

Maximum Allowance Calculation Methodology

3. Reference: (i) Exhibit B-0015, p. 6 to 9.

Preamble:

(i) "The present value of the Transmission Provider's operating and maintenance costs is taken into

consideration for the purposes of establishing the maximum allowance. The Transmission Provider considers that the operating and maintenance costs over 20 years represent, on average, 15% of the investment. This parametrical data has been used since case R-3401-98. The Transmission Provider then indicated that the percentage established in 2001 regarding the proportion of operating and maintenance costs generated by the network upgrades compared to the cost of the investment corresponded to 18%. The Transmission Provider proposed using a 15% proportion, seeing as the operating and maintenance costs as well as use of the transmission system are both variable data, which was retained up to this date.

For 2012, the operating and maintenance costs stood at \$9.11/kW (\$380.2 million/41,744 MW), which corresponds, on an annual basis, to 1.6% of the investment. The data used to illustrate this proportion are the direct operating and maintenance costs as well as the sum of the anticipated transmission requirements. Actualized over a 20-year period with a 5.698% average weighted prospective capital cost rate for 2012, these costs correspond to 19% of the investment. As a result, the Transmission Provider proposes maintaining the operating and maintenance cost rate at 15% of the investment." [emphasis added]

[...]

2.4 Please provide the basic data (direct operating and maintenance costs, estimated amount of transmission demands, weighted average prospective capital cost rate) as well as the results obtained for the operating and maintenance cost rates, in \$/kW, for each of the years 2001 through 2012.

R2.4

In the following table, the Transmission Provider presents the basic data and results obtained for the maintenance and operating cost rates for 2001 through 2012.

 Table R2.4

 Basic data and results for the maintenance and operating cost rates for 2001 through 2012

	2001 à 2004	2005 et 2006	2007	2008	2009	2010	2011	2012
Coûts directs d'exploitation et de maintenance (MS)'	347,2	372,6	417,9	377,7	384,9	374,2	380,2	380,2
Somme des besoins de transport prévus (MW)	35 570	34 465	36 341	36 296	38 072	39 805	41 47 <mark>0</mark>	41 744
Résultats (\$/kW)	9,76	10,81	11,50	10,41	10,11	9,40	9,17	9,11
Taux du coût moyen pondêrê du capital prospectif (%)	8,080%	6,800%	6,350%	6,380%	5,781%	5,685%	5,950%	5,698%

¹ For 2001 to 2004, direct gross loads are used to calculate operating expenses, expressed in dollars per kW, as indicated in R-3401-98.

Requests:

3.1 Please fill out the following table.

	2001 to 2004	2005 and 2006	2007	2008	2009	2010	2011	2012
A. Direct operating and maintenance costs (\$M)	347.2	372.6	417.9	377.7	384.9	374.2	380.2	380.2
B. Total estimated transmission demands (MW)	35,570	34,465	36,341	36,296	38,072	39,805	41,470	41,744
C. Results (\$/kW) (A/B)	9.76	10.81	11.50	10.41	10.11	9.40	9.17	9.11
D. Weighted average prospective								
capital cost rate (%)	8.080%	6.800%	6.350%	6.380%	5.781%	5.685%	5.950%	5.698%
E. Prospective annual Investments								
F. % of maintenance costs								1.6%
G. Rate of maintenance and operating costs actualized over								19%
20 years								

R3.1

The following table presents the requested information. Table R3.1 Operating and Maintenance Cost Data for 2001 to 2012

	2001 to 2004	2005 and 2006	2007	2008	2009	2010	2011	2012
A. Direct operating and maintenance costs (\$M)	347.2	372.6	417.9	377.7	384.9	374.2	380.2	380.2
B. Total estimated transmission demands (MW)	35,570	34,465	36,341	36,296	38,072	39,805	41,470	41,744
C. Results (\$/kW) (A/B)	9.76	10.81	11.50	10.41	10.11	9.40	9.17	9.11
 D. Weighted average prospective capital cost rate (%) 	8.080%	6.800%	6.350%	6.380%	5.781%	5.685%	5.950%	5.698%
E. Prospective annual Investments	522	560	570	574	622	596	566	571
F. % of maintenance costs	1.9%	1.9%	2.0%	1.8%	1.6%	1.6%	1.6%	1.6%
G. Rate of maintenance and operating costs actualized over 20 years	18%	21%	22%	20%	19%	19%	19%	19%

1 For 2001 to 2004, direct gross loads are used to calculate operating expenses, expressed in dollars per kW, as indicated in R-3401-98.

2 For 2001 to 2004: R-3401-98, HQT-11, Document 2, original folio no. 188 (June 23, 2004).

For 2005 and 2006: R-3549-2004 - Phase 2, Schedule D - Hydro-Québec's OATT approved by the Régie de l'Énergie, decision D-2006-66, original folio no. 211 (April 18, 2006).

For 2007: R-3605-2006, HQT-12, Document 4, original folio no. 209 (April 5, 2007).

For 2008: R-3640-2007, HQT-13, Document 5, original folio no. 209 (February 29, 2008).

For 2009: R-3669-2008 - Phase 1, HQT-12, Document 5, original folio no. 210 (March 17, 2009).

For 2010: R-3706-2009, HQT-12, Document 4, original folio no. 210 (April 13, 2010)

For 2011: R-3738-2010, HQT-12, Document 5, original folio no. 210 (May 5, 2011).

For 2012: R-3777-2011, HQT-12, Document 4, original folio no. 210 (June 6, 2012).

3 Division of direct operating and maintenance costs by the amount of transmission demands (line C) by the investment in \$/kW (line E).

4 Present value of operating and maintenance costs (line F) over 20 years based on the average weighted prospective capital cost rate (line D).

3.2 Please specify the source of data considered, or the calculation used for the variables "E", "F" and "G" defined in the table presented in request 4.1.

R3.2

See the response to request 3.1.

Network Upgrades for Connecting Generating Stations in Order to Supply the Native Load - Payment Terms for Contribution to a Project With Several Commissioning Dates Staggered Over Time

4. References: (i) Exhibit B-0015, p. 16;

- (ii) Exhibit B-0015, p. 22 to 26;
- (iii) Exhibit B-0016, p. 35;
- (iv) 2012 Annual Report, HQT-3, Document 1, p. 12;
- (v) Annual Report 2013, HQT-3, Document 1, p. 21.

Preamble:

(i) "6.1 Please specify how the Transmission Provider currently applies the maximum allowance to resource projects: R6.1

In the case of resource projects, the Transmission Provider establishes the maximum amount for network upgrades based on the maximum allowance in effect upon the execution of the connection agreement entered into between the Transmission Provider and the generating station's owner, and the new maximum capacity to be transmitted from the generating station.

The Transmission Provider will also estimate whether a contribution will be required from the customer.

Once all of the scheduled commissionings needed to connect this new resource have been completed, the Transmission Provider compares the total actual costs to the value of the maximum amount for the network upgrades previously calculated. If the actual costs are greater than the maximum amount for the network upgrades, the Transmission Provider claims a contribution from the customer that requested the connection of this new resource."

6.2 Please specify if certain resource projects might not be covered by the Transmission Provider's proposal.

R6.2

As mentioned in Exhibit HQT-1, Document 1, the Transmission Provider proposes integrating the eligible costs of all of the Distributor's resource projects into the aggregation of the projects used for the purposes of the annual calculation of the latter's contribution. However, the application of the Transmission Provider's proposal is, like all proposals contained in this case, prospective.

Consequently, this proposal to aggregate projects does not apply to resource integration projects that have been completed or are underway, with the exception of those projects associated with the Distributor's three calls for tenders respecting wind power, the Régie having, in its decisions contemplating these projects, reserved its decisions relating to the calculation of the Distributor's contribution.

The Transmission Provider has noted an error in Schedule 1 to Exhibit HQT-1, Document 1, entitled "Aggrégation des projets de croissance de charges et de ressources et évaluation de la contribution" (aggregation of resource and power growth projects and evaluation of contribution). It hereby submits a revised version of that schedule, which excludes resources projects other than the projects to integrate wind power."

[...]

(ii) In its initial evidence, the Transmission Provider indicates the following:

"[In Cases R-3631-2007 and R-3742-2010] The Régie asked the Transmission Provider to submit a proposal respecting the terms and conditions for establishing and paying the Distributor's contribution in cases where a project contains several commissioning dates staggered over time. [footnote omitted]

[...]

Also, for projects containing several commissioning dates staggered over time, the Transmission Provider proposes that payment of the Distributor's contribution be henceforth required as of the commissioning date on which the maximum allowance of the project is reached and, thereafter, upon each subsequent commissioning until the final commissioning. This proposal is illustrated using the following example.

[...]

The Transmission Provider proposes amending the text of the Open Access Transmission Tariff to require the transmission service customers' contribution as of the commissioning date on which the maximum allowance of the project is reached and, thereafter, upon each subsequent commissioning.

[.]

8.4 Please comment on the appropriateness of applying a contribution establishment and payment methodology that would be carried out proportionally to the amount associated with the partial commissioning.

[...]

8.5 Please comment on the appropriateness of applying a contribution establishment and payment methodology that would be carried out proportionally to the MWs corresponding to each of the partial commissionings."

(iii) Schedule 1 presents, among other things, the details on the annual aggregation of resource projects respecting the integration of wind farms, for the native loads for 2006 through 2014.

(iv) The Transmission Provider presented the follow-up on R-3631-2007 (1st call for tenders respecting the integration of wind farms) specifying the commissionings achieved.

(v) The Transmission Provider presented the follow-up on R-3742-2010 (2nd call for tenders respecting the integration of wind farms) specifying the commissionings achieved.

The Régie notes that the data provided in reference (iii) respecting the value of the commissionings in R-3631-2007 and R-3742-2010 (1^{st} and 2^{nd} calls for tender respecting the integration of wind farms) used to evaluate the additional contribution required of the Distributor, differ from the data provided in references (iv) and (v). The Régie produced, to that end, the following tables:

Years	Amount integrated pursuant	Amount of commissionings
	to the revised version of	based on the 2012 annual
	Schedule 1 (in \$M)	report (in \$M)
2006	26.4	12.6
2007	18.5	13.9
2008	61.7	61.9
2009	122.2	122.1
2010	22.3	22.8
2011	208.4	214.2
2012	3.5	4.6
2013	-26.6	-
TOTAL	436.4	452.1
Commissionings for	the integration of wind farms	in R-3742-2010
Years	Amount integrated pursuant	Amount of commissionings
	to the revised version of	based on the 2013 annual
	Schedule 1 (in \$M)	report (in \$M)
2011	5.3	5.9
2012	206.6	215.4
2013	240.7	251.2
2014	126.4	-
Cumulative, to	579	472.5
date		

C	ommissionings	for the	integration	of wind	farms in	R-3631-2007
~	ommonomic	TOT CHIC	meesiam			

Requests:

4.1 Please specify the reasons for which the Transmission Provider is no longer considering some of the resource projects in the aggregation presented in the revised version of Schedule 1 (reference (iii)).

R4.1

As mentioned in reference (i) (response to request 6.2 of the Régie's request for information no. 1 in Exhibit HQT-4, Document 1), the Transmission Provider proposes integrating the eligible costs of all of the Distributor's resource projects into the aggregation of projects used in the annual calculation of its contribution.

Since the Transmission Provider's proposal, like all proposals in this matter, is prospective in its application, it does not apply to resource projects that have been completed or are underway. Only the Distributor's projects stemming from the three calls for tenders for wind farms of the Distributor may be aggregated, seeing as in the decisions contemplating these projects the Régie has reserved its decisions regarding the calculation of the Distributor's contribution.

The Transmission Provider specifies that in the case of the Distributor's future resource projects, namely those that have yet to be contemplated by a decision of the Régie, its proposal consists of including them all, without exception, in the project aggregation.

4.2 Please specify if these resource projects, stricken from the revised version of Schedule 1, were contemplated by previous aggregations.

R4.2

The Transmission Provider specifies that the resource projects stricken from Schedule 1 to Exhibit HQT-1, Document 1 revised October 31, 2014 have not been contemplated by previous aggregations.

It points out, however, that the Distributor's calls for tenders are handled globally as a single project for the purposes of determining the contribution to be paid by the Distributor, even though they might include the integration of several resources.

4.3 Please specify whether or not the Transmission Provider applies its methodology in respect of the problem of commissionings staggered over time described in reference (ii) to the aggregation presented in Schedule (iii).

R4.3

As presented in section 3.1.2.2 of Exhibit HQT-1, Document 1 revised October 31, 2014, the Transmission Provider repeats that for the Distributor's resource projects contemplating the Native Load, it first limits the portion of costs that may be integrated into the annual aggregation, namely the eligible costs, to the amount obtained by applying the maximum allowance to the maximum capacity to be transmitted on the network. Then, in the second phase, this amount is added to the aggregation of costs for all of the Distributor's projects (loads and resources) to be covered by the anticipated growth over the next 20 years for satellite substations and customers connected directly to the transmission system.

This response refers to the contribution estimated in the first phase (the "initial contribution").

The Transmission Provider's proposal, in the case of a project that includes several commissionings staggered over time, consists of demanding payment of the Distributor's initial contribution as of the commissioning date on which the maximum amount is reached and, thereafter, on each commissioning date up to the final commissioning. Consequently, the Transmission Provider intends to apply its proposal to the Distributor's initial contribution established for each resource project.

4.4 If it does not, please specify how the Transmission Provider will apply the methodology in respect of the problem described in reference (ii) to the projects for which the Régie has reserved its decision.

R4.4

See the response to request 4.3.

4.5 Please illustrate the rate impact of the Transmission Provider's proposal, respecting the terms

and conditions for determining and paying the contribution in cases where a project has several commissioning dates staggered over time, on the projects affected by decisions D-2007-141, D-2009-166, D-2010-165 and D-2014-045.

R4.5

The Transmission Provider illustrates the rate impact of its proposal over a 20 year period by considering the data available at the time this case was being prepared for the project of the first call for tenders contemplated by decision D-2007-141, in table R4.5-1 below.

For the project of the second call for tenders contemplated by decision D-2010-165, the Transmission Provider does not illustrate the rate impact of its proposal seeing as, for this project, there is no estimated Distributor's contribution as explained in the response to request 5.2.

For the project of the third call for tenders contemplated by decision D-2014-045, the Transmission Provider illustrates the rate impact of its proposal over a 20-year period by considering the data presented in R-3836-2013, in table R4.5-2 below.

Table R4.5-1

Rate impact of the Transmission Provider's proposal for the 1st wind farm call for tenders

CT- 990 MW wind farm R3631-2007 - Payment of contribution upon reaching maximum amount

Cost of project (\$M) Estimated contribution of Distributor (\$M) Operating and Maintenance Costs (\$M) Estimated contribution of Distributor + operating and maintenance costs (\$M)

Contribution payments ((\$M)									Status quo	Transmission Provider's proposal	Impact of proposal
Straight-line depreciation Average weighted prosp Public services tax (PST Number of years	pon^{1} pective capital cost ² $(p)^{3}$											
Years	Depreciation 2011- 11 (\$M)	Depreciation 2012-11 (\$M)	Depreciation 2013-11 (\$M)	Depreciation (\$M)	Accumulated depreciation (\$M)	Rate base: end balance (\$M)	Rate base: 13- balance average (\$M)	Capital cost (\$M)	Public services tax (\$M)	Total (\$M)	Transmission demand (MW)	Annual rate (\$/kW)

	(MS)	(M\$)	(MS)	(MS)	(MS)	(M\$)	(M\$)	(M\$)	(M\$)	(MS)	(MW)	(\$/kW)
2005											41 744	
2006	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	41 853	0,00
2007	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	41 853	0,00
2008	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	42 063	0,00
2009	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	42 191	0,00
2010	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	42 191	0,00
2011	-0,1	0,0	0,0	-0,1	-0,1	-26,5	-4,1	-0,3	0,0	-0,4	42 561	-0,01
2012	-1,3	0,0	0,0	-1,3	-1,5	-29,1	-26,4	-1,8	-0,1	-3,3	42 561	-0,08
2013	-1,3	-0,2	0,1	-1,4	-2,9	2,7	-23,7	-1,6	-0,2	-3,2	42 561	-0,07
2014	-1,3	-0,2	1,5	0,0	-2,9	2,7	2,7	0,2	0,0	0,2	42 561	0,00
2015	-1,3	-0,2	1,5	0,0	-2.9	2,7	2,7	0,2	0,0	0,2	42 561	0,00
2016	-1,3	-0,2	1,5	0,0	-2.9	2,7	2,7	0,2	0,0	0,2	42 561	0,00
2017	-1.3	-0.2	1,5	0.0	-2.9	2.7	2,7	0.2	0.0	0.2	42 561	0.00
2018	-1,3	-0,2	1,5	0.0	-2.9	2,7	2,7	0,2	0,0	0,2	42 561	0,00
2019	-1.3	-0.2	1,5	0.0	-2.9	2.7	2.7	0.2	0.0	0.2	42 561	0.00
2020	-1.3	-0,2	1,5	0,0	-2.9	2,7	2,7	0.2	0.0	0,2	42 561	0,00
2021	-1,3	-0,2	1,5	0,0	-2,9	2,7	2,7	0,2	0,0	0,2	42 561	0,00
2022	-1,3	-0,2	1,5	0,0	-2.9	2,7	2,7	0,2	0,0	0,2	42 561	0,00
2023	-1,3	-0,2	1,5	0,0	-3,0	2,8	2,8	0,2	0,0	0,2	42 561	0,00
2024	-1.3	-0,2	1,5	0.0	-3,0	2.8	2.8	0.2	0,0	0.2	42 561	0.00
2025	-1,3	-0,2	1,5	0,0	-3,0	2,8	2,8	0,2	0.0	0,2	42 561	0,00
2026	-1.3	-0.2	1.5	0.0	-3,0	2.8	2.8	0.2	0.0	0.2	42 561	0.00
2027	-1,3	-0,2	1,5	0.0	-3,0	2,8	2,8	0.2	0.0	0,2	42 561	0.00
2028	-1.3	-0.2	1.5	0.0	-3.0	2.8	2.8	0.2	0.0	0.2	42 561	0.00
2029	-1,3	-0,2	1,5	0,0	-3,0	2,8	2,8	0,2	0.0	0,2	42 561	0,00
2030	-1.3	-0.2	1.5	0.0	-3.0	2.8	2.8	0.2	0.0	0.2	42 561	0.00
2031	-1.2	-0.2	1.5	0.1	-2.9	2.7	2.8	0.2	0.0	0.3	42 561	0.01
2032	0,0	-0,2	1,5	1,3	-1,6	1,4	2,1	0,1	0,0	1,5	42 561	0,04
2033	0.0	0.0	1.4	1.4	-0.2	0.0	0.1	0.0	0.0	1.4	42 561	0.03

Entire 2006-2033 period

1 Linear depreciation according to decision D-2010-020 for request R-3703-2009.

2 Average weighted prospective capital cost of 6.80%, according to decision D-2005-50.

3 Public services tax of 0.55% imposed pursuant to Part VI.4 of the Taxation Act (Québec).

Table R4.5-2

Rate impact of the Transmission Provider's proposal for the 3rd wind farm call for tenders

CT 2009-02- 500 MW wind farm R3638-2013 - Payments of contribution upon reaching maximum amount

Cost of project (\$M) Estimated contribution of Distributor (\$M) Operating and Maintenance Costs (\$M) Estimated contribution of Distributor + operating and maintenance costs (\$M)

Contribution payme	ents (\$M)								Status quo	Transmission Provider's	Impact of proposal
										proposal	
Straight-line deprec	ciation										
Average weighted	prospective capital	cost ²									
Public services tax	(PST) ³										
1 uone sei nees uux	(151)										
Number of years											
Years	Depreciation	Accumulated depreciation	Rate base: end balance	Rate base: 13-balance average	Capital cost	Public services tax	Total	Transmission den	nand An	nual rate	
	(MS)	(MS)	(MS)	(MS)	(MS)	(MS)	(M\$)	(MW)		(\$/kW)	
2012								41 744			
2013	0,0	0,0	0,0	0,0	0,0	0,0	0,0	41 816		0,00	
2014	0,0	0,0	0,0	0,0	0,0	0,0	0,0	41 912		0,00	
2015	0,0	0,0	0,0	0,0	0,0	0,0	0,0	42 034		0,00	
2016	0,0	0,0	0,0	0,0	0,0	0,0	0,0	42 034		0,00	
2017	0,0	0,0	0,0	0,0	0,0	0,0	0.0	42 034		0,00	
2019	0.0	0.0	0,0	0,0	0.0	0,0	0.0	42 034		0.00	
2020	0.0	0.0	0.0	0.0	0.0	0.0	0.0	42 034		0.00	
2021	0.0	0,0	0.0	0.0	0.0	0,0	0,0	42 034		0,00	
2022	0,0	0,0	0,0	0,0	0,0	0,0	0,0	42 034		0,00	
2023	0,0	0,0	0,0	0,0	0,0	0,0	0,0	42 034		0,00	
2024	0,0	0,0	0,0	0,0	0,0	0,0	0,0	42 034		0,00	
2025	0,0	0,0	0,0	0,0	0,0	0,0	0,0	42 034		0,00	
2026	0,0	0,0	0,0	0,0	0,0	0,0	0,0	42 034		0,00	
2027	0,0	0,0	0,0	0,0	0,0	0,0	0,0	42 034		0,00	
2028	0,0	0,0	0,0	0,0	0,0	0,0	0,0	42 034		0,00	
2029	0,0	0,0	0,0	0,0	0,0	0,0	0,0	42 034		0,00	
2030	0,0	0,0	0,0	0,0	0,0	0,0	0,0	42 034		0,00	
2031	0,0	0,0	0,0	0,0	0,0	0,0	0,0	42 034		0,00	
2032	0,0	0,0	0,0	0,0	0,0	0,0	0,0	42 034		0,00	
2033	0,0	0,0	0,0	0,0	0,0	0,0	0,0	42 034		0,00	
2034	0,0	0.0	0,0	0,0	0.0	0,0	0,0	42 034		0,00	
2035	0,0	0.0	0.0	0.0	0,0	0,0	0,0	42 034		0.00	
2030	0,0	0,0	0,0	0,0	0,0	0,0	0,0	42 034		0,00	
2037	0.0	0.0	0.0	0.0		0.0	0.0	A / 11 4 A		0.00	

Entire 2013-2038 period

¹ Linear depreciation according to decision D-2010-020 for request R-3703-2009.

² Average weighted prospective capital cost of 5.698%, according to decision D-2012-059 for request R-3777-2011..

³ Public services tax of 0.55% imposed pursuant to Part VI.4 of the *Taxation Act* (Québec).

Moreover, the Transmission Provider emphasizes that in section of its proposal on the application of the Transmission Provider's maximum allowance in cases of network upgrades, the resource projects contemplating the Distributor, including projects of the wind farm calls for tenders, are added to the annual aggregation of the projects used to calculate the Distributor's annual contribution, as explained at greater length in Responses 5.2 and 5.3. Moreover, the Transmission Provider emphasizes that in the section of its proposal on the application of the Transmission Provider's maximum allowance in cases of network upgrades, the resource projects contemplating the Distributor, including projects of the wind farm calls for tenders, are added to the annual aggregation of the projects used to calculate the Distributor's annual contribution, as explained at greater length in Reponses 5.2 and 5.3.

4.6 Please illustrate the rate impact of projects affected by decisions D-2007-141, D-2009-166, D-2010-165 and D-2014-045, based on the alternatives submitted by the Régie in questions 8.4 and 8.5 cited in reference.

R4.6

The Transmission Provider insists on reiterating the arguments mentioned in responses 8.4 and 8.5 of the Régie's request for information no. 1 in Exhibit HQT-4, Document 1, which hold that these alternatives should not be retained for the contribution payments of projects that have commissionings staggered over time.

The Transmission Provider illustrates the rate impact the alternatives submitted in responses 8.4 and 8.5 cited in the reference over a 20 year period by considering the data available at the time this case was being prepared for the project contemplated by decision D-2007-141, in tables R4.6-1 and R4.6-2 below.

For the project contemplated by decision D-2010-165, the Transmission Provider does not illustrate the rate impact of its proposal, seeing as based on the current forecast, the project does not require any contribution from the Distributor.

For the project contemplated by decision D-2014-045, the Transmission Provider illustrates the rate impact of the alternatives submitted in requests 8.4 and 8.5 cited in the reference over a 20 year period by considering the data presented in R-3836-2013, in tables R4.6-3 and R4.6-4 below.

Moreover, the Transmission Provider insists that in its proposal respecting the application of the Transmission Provider's maximum allowance in the case of network upgrades, the resource projects, namely the projects of wind farm calls for tenders, are added to the annual aggregation of projects used in the calculation of the annual contribution of the Distributor, as explained at greater length in responses 5.2 and 5.3.

Table 4.6-1

Rate impact of the 1st wind farm call for tenders, based on the distribution of commissionings

CT - 990 MW Wind farm R3631-2007 - Payments of contribution distributed based on commissionings
 Cost of project (\$M)
 Estimated contribution of Distributor (\$M)
 Operating and Maintenance Costs (\$M)
 Estimated contribution of Distributor + operating and maintenance costs (\$M)

				Contribution payments (\$M)		Status	Transmissi	Impact of
						quo	on	proposal

			1					1				1		Provider's	
														proposal	
Straight- Average Public se Number	line depreci weighted parvices tax (of years	ation ¹ rospective capit PST) ³	cal cost ²												
Year															
Depre	eciation	before 200	06 (\$M)												
Depre	eciation	2006-11 (\$M)												
Depre	Depreciation 2007-11 (\$M)														
Depre	Depreciation 2008-11 (\$M)														
Depre	eciation	2009-11 (\$M)												
Depre	eciation	2010-11 (\$M)												
Depre	eciation	2011-11 (\$M)												
Depre	eciation	2012-11 (\$M)												
Depre	eciation	2013-11 (\$M)												
Depre	eciation	(\$M)													
Cumu	ılative d	epreciatio	n (\$M)												
Rate I	base: en	d balance	(\$M)												
Rate I	base: 13	-balance a	verage (\$	5M)											
Capit	al cost (\$M)													
Public	c service	es tax (\$N	()												
Total	(\$M)														
Trans	mission	demand (MW)												
Annu	al rate (S	\$/kW)													

Tableau R4.6-1 Impact tarifaire du 1^{er} appel d'offres éolien selon une répartition des mises en service

AO - Éolien 990 MW R3631-2007 - Versements de la contribution répartis selon les Mises en service

Coût du	projet (MS)																	506,
Contribu	tion estimée	du Distribut	leur (MS)															26,
Frais d'e	intretien et d'e	exploitation	(M\$)															4
Contribu	tion estimée	du Distribut	teur + frais d	'entretien et	d'exploitatio	on (M\$)												30,
																	Répartition selon	Impact de la
																statu quo	les MES	proposition
/erseme	ents de la cor	ntribution (M	IS)													(A)	(B)	(A) - (B)
															avant 2006		1,3	-1,
															2006-11		1,7	-1,
															2007-11		1,2	-1,
															2008-11		3,9	-3,
															2009-11		7.7	-7
															2010-11		1,4	-1,
															2011-11		13,1	-13,
															2012-11		0,2	-0
		80													2013-11	30,4	0,0	30
mortiss	ement linéali	re																
Cout mo	yen pondêrê	du capital p	prospectif ²															6,500
Taxe sur	les services	publics (TS	P) 3															0,55
Nombre	d'années																	2
													Dage de		Troop pur			
	Amortisse	Amortisse	Amortisse	Amortisse	Amortisse	Amortisse	Amortisse	Amortisse	Amortisse	Amortines	Amortisse	Base de	base de	Coltaba	lake sur		Descine de	Treff
Années	ment	ment	ment	ment	ment	ment	ment	ment	ment	ment	ment	tarification :	mounton.	capital	randoar	Total	transport	Table and
	avant 2006	2006-11	2007-11	2008-11	2009-11	2010-11	2011-11	20112-11	2013-11	citize to	cumulé	solde de fin	13 soldes	Cuprus	nublics		a an argument	and the state
	(1/5)	(MS)	(1/5)	(MS)	(MS)	(MS)	(MS)	(MS)	(1/5)	(MS)	(1.5)	(MS)	(MS)	(MS)	(MS)	(MS)	(MAV)	(SRW)
2005	- 2 (A)	Sec. 2	19.4.95	1000	0.000	000000	1405-565	34240	2010/2	555 1992			2000	10000	20.224	1002-025	41 744	650 - 500
2006	-0,1	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	-0,1	-0,1	-2,9	-1,5	-0,1	0,0	-0,2	41 853	0,00
2007	-0,1	-0,1	0,0	0,0	0,0	0,0	0,0	0,0	0,0	-0,2	-0,2	-3,9	-3,0	-0,2	0,0	-0,4	41 853	-0,01
2008	-0,1	-0,1	-0,1	0,0	0,0	0,0	0,0	0,0	0,0	-0,2	-0,4	-7.6	-4,4	-0,3	0,0	-0,5	42 063	-0,01
2009	-0,1	-0,1	-0,1	-0,2	0,0	0,0	0,0	0,0	0,0	-0,4	-0,9	-14,8	-0,6	-0,6	0,0	-1.1	42 191	-0,03
2010	-0,1	-0,1	-0,1	-0,2	-0,4	0,0	0,0	0,0	0,0	-0,8	-1,7	-15,4	-14,6	-1,0	-0,1	-1,9	42 191	-0,04
2011	-0,1	-0,1	-0,1	-0,2	-0,4	-0,1	-0,1	0,0	0,0	-0,9	-2,6	-27,6	-17,0	-1,2	-0,1	-2,1	42 561	-0,05
2012	-0,1	-0,1	-0,1	-0,2	-0,4	-0,1	-0,7	0,0	0,0	-1,5	-4,1	-26,3	-26,9	-1,5	-0,2	-3,5	42 561	-0,05
2013	-0,1	-0,1	-0,1	-0,2	-0,4	-0,1	-0,7	0,0	0,1	-1,4	-5,5	5,5	-20,9	-1,4	-0,1	-3,0	42 561	-0,07
2014	-0,1	-0,1	-0,1	-0,2	-0,4	-0,1	-0,7	0,0	1,5	0,0	-5,5	5,5	5,5	0,4	0,0	0,4	42 561	0,01
2015	-0,1	-0,1	-0,1	-0,2	-0,4	-0,1	-0.7	0,0	1.5	0.0	-5,5	5,5	5,5	0,4	0.0	0,4	42 561	0,01
2016	-0,1	-0,1	-0,1	-0,2	-0,4	-0,1	-0.7	0,0	1,5	0,0	-5,5	5,5	5,5	0,4	0,0	0,4	42 561	0,01
2017	-0,1	-0,1	-0,1	-0,2	-0,4	-0,1	-0,7	0,0	1,5	0,0	-5,5	5,5	5,5	0,4	0,0	0,4	42 561	0,01
2018	-0,1	-0,1	-0,1	-0,2	-0,4	-0,1	-0,7	0,0	1,5	0.0	-5,5	5,5	5,5	0,4	0,0	0,4	42 561	0,01
2019	-0,1	-0,1	-0,1	-0,2	-0,4	-0,1	-0,7	0,0	1,5	0,0	-5,5	5,5	5,5	0,4	0,0	0,4	42 561	0,01
2020	-0,1	-0,1	-0,1	-0,2	-0,4	-0,1	-0,7	0,0	1.5	0.0	-5,5	5,5	5,5	0,4	0,0	0,4	42 561	0,01
	-0,1	-0,1	-0,1	-0,2	-0,4	-0,1	-0.7	0,0	1,5	0,0	-5,5	5,5	5,5	0,4	0,0	0,4	42 561	0,01
2021		-0,1	-0,1	-0,2	-0,4	-0,1	-0,7	0,0	1,5	0,0	-5,5	5,5	5,5	0,4	0,0	0,4	42 561	0,01
2021	-0,1							0.0	1,5	0,0	-5,5	5,5	5,5	0,4	0,0	0,4	42 561	0,01
2021 2022 2023	-0,1	-0,1	-0,1	-0,2	-0,4	-0,1	-0.7											
2021 2022 2023 2024	-0,1 -0,1 -0,1	-0,1 -0,1	-0,1	-0,2	-0,4	-0,1	-0,7	0,0	1,5	0,0	-5,5	5,5	0,0	0,4	0,0	0.4	42 561	0,01
2021 2022 2023 2024 2025	-0,1 -0,1 -0,1 -0,1	-0,1 -0,1 -0,1	-0,1 -0,1 -0,1	-0,2 -0,2 -0,2	-0,4 -0,4 -0,4	-0,1 -0,1 -0,1	-0,7	0,0	1,5	0,0	-5,5	5,5	5,5	0,4	0,0	0,4	42 561 42 561	0,01
2021 2022 2023 2024 2025 2026	-0,1 -0,1 -0,1 -0,1 0,0	-0,1 -0,1 -0,1 -0,1	-0,1 -0,1 -0,1 -0,1	-0,2 -0,2 -0,2 -0,2	-0,4 -0,4 -0,4 -0,4	-0,1 -0,1 -0,1 -0,1	-0,7 -0,7 -0,7	0,0 0,0 0,0	1,5 1,5 1,5	0,0 0,0 0,1	-5,5 -5,5 -5,4	5,5 5,4	5,5 5,5	0,4 0,4 0,4	0,0 0,0 0,0	0,4 0,4 0,5	42 561 42 561 42 561	0,01 0,01 0,01
2021 2022 2023 2024 2025 2026 2027	-0,1 -0,1 -0,1 0,0 0,0	-0,1 -0,1 -0,1 -0,1 0,0	-0.1 -0.1 -0.1 -0.1	-0,2 -0,2 -0,2 -0,2 -0,2	-0,4 -0,4 -0,4 -0,4	-0,1 -0,1 -0,1 -0,1	-0,7 -0,7 -0,7 -0,7	0,0 0,0 0,0	1,5 1,5 1,5	0,0 0,0 0,1 0,2	-5,5 -5,5 -5,4 -5,3	5,5 5,4 5,3	5,5 5,5 5,3	0,4 0,4 0,4	0,0 0,0 0,0 0,0	0,4 0,4 0,5 0,5	42 561 42 561 42 561 42 561	0,01 0,01 0,01 0,01
2021 2022 2023 2024 2025 2025 2026 2027 2028	-0,1 -0,1 -0,1 0,0 0,0 0,0	-0,1 -0,1 -0,1 -0,1 0,0 0,0	-0,1 -0,1 -0,1 -0,1 -0,1 0,0	-0,2 -0,2 -0,2 -0,2 -0,2 -0,2	-0,4 -0,4 -0,4 -0,4 -0,4	-0,1 -0,1 -0,1 -0,1 -0,1 -0,1	-0,7 -0,7 -0,7 -0,7 -0,7 -0,7	0,0 0,0 0,0 0,0	1,5 1,5 1,5 1,5	0,0 0,0 0,1 0,2 0,2	-5,5 -5,5 -5,4 -5,3 -5,0	5,5 5,4 5,3 5,0	5,5 5,5 5,3 5,2	0,4 0,4 0,4 0,4	0,0 0,0 0,0 0,0 0,0	0,4 0,4 0,5 0,5 0,6	42 561 42 561 42 561 42 561 42 561	0,01 0,01 0,01 0,01 0,01
2021 2022 2023 2024 2025 2025 2025 2027 2025 2027 2025	-0,1 -0,1 -0,1 -0,1 0,0 0,0 0,0 0,0	-0,1 -0,1 -0,1 0,0 0,0 0,0	-0,1 -0,1 -0,1 -0,1 -0,1 0,0 0,0	-0,2 -0,2 -0,2 -0,2 -0,2 -0,2 -0,2 0,0	-0,4 -0,4 -0,4 -0,4 -0,4 -0,4 -0,4	-0,1 -0,1 -0,1 -0,1 -0,1 -0,1 -0,1	-0,7 -0,7 -0,7 -0,7 -0,7 -0,7 -0,7	0,0 0,0 0,0 0,0 0,0 0,0	1,5 1,5 1,5 1,5 1,5 1,5	0,0 0,0 0,1 0,2 0,2 0,4	-5,5 -5,5 -5,4 -5,3 -5,0 -4,6	5,5 5,4 5,3 5,0 4,6	5,5 5,5 5,3 5,2 4,5	0,4 0,4 0,4 0,4 0,4 0,3	0,0 0,0 0,0 0,0 0,0 0,0	0,4 0,5 0,5 0,6 0,8	42 561 42 561 42 561 42 561 42 561 42 561	0,01 0,01 0,01 0,01 0,01 0,02
2021 2022 2023 2024 2025 2026 2027 2028 2029 2030	-0,1 -0,1 -0,1 0,0 0,0 0,0 0,0 0,0	-0,1 -0,1 -0,1 0,0 0,0 0,0 0,0	-0,1 -0,1 -0,1 -0,1 0,0 0,0 0,0	-0,2 -0,2 -0,2 -0,2 -0,2 -0,2 0,0 0,0	-0,4 -0,4 -0,4 -0,4 -0,4 -0,4 -0,4 0,0	-0,1 -0,1 -0,1 -0,1 -0,1 -0,1 -0,1 -0,1	-0,7 -0,7 -0,7 -0,7 -0,7 -0,7 -0,7 -0,7	0,0 0,0 0,0 0,0 0,0 0,0	1,5 1,5 1,5 1,5 1,5 1,5	0,0 0,0 0,1 0,2 0,2 0,4 0,5	-5,5 -5,5 -5,4 -5,3 -5,0 -4,6 -3,8	5,5 5,5 5,4 5,3 5,0 4,6 3,5	5,5 5,5 5,3 5,2 4,5 4,2	0,4 0,4 0,4 0,4 0,3 0,3	0,0 0,0 0,0 0,0 0,0 0,0	0,4 0,4 0,5 0,5 0,6 0,6 1,1	42 561 42 561 42 561 42 561 42 561 42 561 42 561	0,01 0,01 0,01 0,01 0,01 0,02 0,03
2021 2022 2023 2024 2025 2026 2027 2026 2027 2028 2029 2030 2031	-0,1 -0,1 -0,1 0,0 0,0 0,0 0,0 0,0 0,0	-0,1 -0,1 -0,1 -0,1 0,0 0,0 0,0 0,0 0,0	-0,1 -0,1 -0,1 -0,1 0,0 0,0 0,0 0,0	-0,2 -0,2 -0,2 -0,2 -0,2 -0,2 0,0 0,0 0,0	-0,4 -0,4 -0,4 -0,4 -0,4 -0,4 -0,4 0,0 0,0	-0,1 -0,1 -0,1 -0,1 -0,1 -0,1 -0,1 -0,1	-0,7 -0,7 -0,7 -0,7 -0,7 -0,7 -0,7 -0,7	0,0 0,0 0,0 0,0 0,0 0,0 0,0	1,5 1,5 1,5 1,5 1,5 1,5 1,5	0,0 0,0 0,1 0,2 0,2 0,4 0,8 0,9	-5,5 -5,5 -5,4 -5,3 -5,0 -4,6 -3,8 -2,9	5,5 5,5 5,4 5,3 5,0 4,6 3,8 2,9	5,5 5,5 5,3 5,2 4,8 4,2 3,4	0,4 0,4 0,4 0,4 0,3 0,3 0,2	0,0 0,0 0,0 0,0 0,0 0,0 0,0	0,4 0,4 0,5 0,5 0,6 0,6 1,1 1,2	42 561 42 561 42 561 42 561 42 561 42 561 42 561 42 561	0,01 0,01 0,01 0,01 0,02 0,03 0,03
2021 2022 2023 2024 2025 2026 2027 2026 2029 2030 2031 2032	-0,1 -0,1 -0,1 0,0 0,0 0,0 0,0 0,0 0,0 0,0 0,0	-0,1 -0,1 -0,1 -0,1 0,0 0,0 0,0 0,0 0,0 0,0	-0,1 -0,1 -0,1 -0,1 -0,1 0,0 0,0 0,0 0,0 0,0	-0,2 -0,2 -0,2 -0,2 -0,2 -0,2 0,0 0,0 0,0 0,0 0,0	-0,4 -0,4 -0,4 -0,4 -0,4 -0,4 -0,4 0,0 0,0 0,0	-0,1 -0,1 -0,1 -0,1 -0,1 -0,1 -0,1 -0,1	-0,7 -0,7 -0,7 -0,7 -0,7 -0,7 -0,7 -0,7	0,0 0,0 0,0 0,0 0,0 0,0 0,0 0,0	1,5 1,5 1,5 1,5 1,5 1,5 1,5 1,5	0,0 0,0 0,1 0,2 0,2 0,4 0,6 0,9 1,5	-5,5 -5,5 -5,4 -5,3 -5,0 -4,6 -3,8 -2,9 -1,4	5,5 5,5 5,4 5,3 5,0 4,6 3,5 2,9 1,4	5,5 5,5 5,3 5,2 4,8 4,2 3,4 2,1	0,4 0,4 0,4 0,4 0,3 0,3 0,2 0,1	0,0 0,0 0,0 0,0 0,0 0,0 0,0 0,0	0,4 0,4 0,5 0,5 0,6 0,8 1,1 1,2 1,7	42 561 42 561 42 561 42 561 42 561 42 561 42 561 42 561 42 561	0,01 0,01 0,01 0,01 0,02 0,03 0,03 0,04

Entire 2006-2033 period

¹ Linear depreciation according to decision D-2010-020 for request R-3703-2009.
 ² Average weighted prospective capital cost of 6.8%, according to decision D-2005-50.
 ³ Public services tax of 0.55% imposed pursuant to Part VI.4 of the *Taxation Act* (Québec).

Table 4.6-2

Rate impact of the 1st wind farm call for tenders, based on a distribution of MW of power

 $\rm CT$ - 990 MW wind farm R3631-2007 - Payments of contribution distributed based on MWs

Cost of project (\$M) Estimated contribution of Distributor (\$M) Operating and Maintenance Costs (\$M) Estimated contribution of Distributor + operating and maintenance costs (\$M)

							Contribution payments (\$M)		Status quo	Transmissi on Provider's proposal	Impact of proposal
Straight-li Average w Public serv Number o	ne depreciation veighted prospe vices tax (PST) f years	ective capital	l cost ²								
Year								•			
Deprec	ciation 200)6-11 (\$	SM)								
Deprec	ciation 200	08-11 (\$	SM)								
Deprec	ciation 200	09-11 (\$	5M)								
Deprec	ciation 201	11-11 (\$	SM)								
Deprec	ciation 201	13-11 (\$	5M)								
Deprec	ciation (\$1	M)									
Cumul	ative depr	reciation	(\$M)								
Rate ba	ase: end ba	alance (\$M)								
Rate ba	ase: 13-ba	lance av	erage (\$	M)							
Capital	l cost (\$N	/I)									
Public	services ta	ax (\$M)								
Total ((\$M)										
Transn	nission de	mand (N	IW)								
Annua	l rate (\$/k'	W)									

Tableau R4.6-2

Impact tarifaire du 1^{er} appel d'offres éolien selon une répartition des MW de puissance

AO - Éolien 990 MW R3631-2007 - Versements de la contribution répartis selon les MW

Coût du	projet (MS)													506,2
Contribu	tion estimée	du Distribut	teur (MS)											26,4
Frais d'e	ntretien et d'	exploitation	(MS)											4,0
Contribu	tion estimée	du Distribut	teur + frais d	l'entretien e	t d'exploitati	on (M\$)								30,4
													Répartition selon	impact de la
												statu quo	les MW	proposition
Verseme	ents de la co	ntribution (M	(\$)									(A)	(B)	(A) - (B)
											2006-11		4.1	-4.1
											2008-11		7.8	-7.8
											2009-11		4.7	-4.7
											2011-11		13.8	-13.8
											2013-11	30,	4	30,4
Amortiss	ement linéai	ire ¹												
Cout mo	yen pondéré	du capital p	prospectif ²											6,800%
Taxe sur	les services	publics (TS	(P) 3											0,55%
Nombre	d'années													20
	the sectors		SS 11. 11	75 77			205 - 052		_					
	Amortisse	Amortisse	Amortisse	Amortisse	Amortisse	American	Amortisse	Base de	Base de	California	laxe sur		Densing de	Tarif
Années	ment	ment	ment	ment	ment	Amortisse	ment	tarification :	tarification :	Cout du	les	Total	Besoins de	Tarm
	2006-11	2008-11	2009-11	2011-11	2013-11	ment	cumulé	solde de fin	12 soldos	capital	services		transport	annuer
	(MS)	(MS)	(MS)	(MS)	(MS)	(MS)	(MS)	(MS)	(MS)	(MS)	(MS)	(MS)	(MM)	(SIKW)
2005	1	((((((1.47	((1	(41 744	Q
2006	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-4.0	-0.6	0.0	0.0	-0.1	41 853	0.00
2007	-0.2	0.0	0.0	0.0	0.0	-0.2	-0.2	-3.8	-3.9	-0.3	0.0	-0.5	41 853	-0.01
2008	-0.2	0.0	0.0	0.0	0.0	-0.2	-0.5	-11.4	-4.9	-0.3	0.0	-0.6	42 063	-0.01
2009	-0.2	-0.4	0.0	0.0	0.0	-0.6	-1.1	-15.5	-11.8	-0.8	-0.1	-1.5	42 191	-0.04
2010	-0.2	-0.4	-0.2	0.0	0.0	-0.8	-19	-14 7	-15.1	-1.0	-0.1	-1.9	42 191	-0.05
2011	-0.2	-0.4	-0.2	-0.1	0.0	-0.9	-2.8	-27.6	-16,4	-1.1	-0.1	-2.1	42 561	-0.05
2012	-0.2	-0,4	-0.2	-0,7	0.0	-1,5	-4,3	-26,1	-26,8	-1.8	-0,2	-3.5	42 561	-0.08
2013	-0.2	-0.4	-0.2	-0.7	0.1	-1.4	-5.7	5.7	-20.6	-1.4	-0.1	-2.9	42 561	-0.07
2014	-0,2	-0,4	-0,2	-0,7	1,5	0,0	-5,7	5,7	5,7	0,4	0,0	0,4	42 561	0,01
2015	-0,2	-0,4	-0,2	-0,7	1,5	0,0	-5,7	5,7	5,7	0,4	0,0	0,4	42 561	0,01
2016	-0,2	-0,4	-0,2	-0,7	1,5	0,0	-5,7	5,7	5,7	0,4	0,0	0,4	42 561	0,01
2017	-0,2	-0,4	-0,2	-0,7	1,5	0,0	-5,7	5,7	5.7	0,4	0,0	0,4	42 561	0,01
2018	-0,2	-0,4	-0,2	-0,7	1,5	0,0	-5,7	5,7	5,7	0,4	0,0	0,4	42 561	0,01
2019	-0,2	-0,4	-0,2	-0,7	1,5	0,0	-5,7	5,7	5,7	0,4	0,0	0,4	42 561	0,01
2020	-0,2	-0,4	-0,2	-0,7	1,5	0,0	-5,7	5,7	5,7	0,4	0,0	0,4	42 561	0,01
2021	-0,2	-0,4	-0,2	-0,7	1,5	0,0	-5,7	5,7	5,7	0,4	0,0	0,4	42 561	0,01
2022	-0,2	-0,4	-0,2	-0,7	1,5	0,0	-5,7	5,7	5,7	0,4	0,0	0,4	42 561	0,01
2023	-0,2	-0,4	-0,2	-0,7	1,5	0,0	-5,7	5,7	5,7	0,4	0,0	0,4	42 561	0,01
2024	-0,2	-0,4	-0,2	-0,7	1,5	0,0	-5,7	5,7	5,7	0,4	0,0	0,4	42 561	0,01
2025	-0,2	-0,4	-0,2	-0,7	1,5	0,0	-5,7	5,7	5,7	0,4	0,0	0,4	42 561	0,01
2026	-0,2	-0,4	-0,2	-0,7	1,5	0,0	-5,7	5,7	5,7	0,4	0,0	0,4	42 561	0,01
2027	0,0	-0,4	-0,2	-0,7	1,5	0,2	-5,5	5,5	5,6	0,4	0,0	0,6	42 561	0,01
2028	0,0	-0,4	-0,2	-0,7	1,5	0,2	-5,2	5,2	5,4	0,4	0,0	0,6	42 561	0,01
2029	0,0	0,0	-0,2	-0,7	1,5	0,6	-4,6	4,6	4,9	0,3	0,0	1,0	42 561	0,02
2030	0,0	0,0	0,0	-0,7	1,5	0,8	-3,8	3,8	4,2	0,3	0,0	1,1	42 561	0,03
2031	0,0	0,0	0,0	-0,6	1,5	0,9	-2,9	2,9	3,4	0,2	0,0	1,1	42 561	0,03
2032	0,0	0,0	0,0	0,0	1,5	1,5	-1,4	1,4	2,2	0,1	0,0	1,7	42 561	0,04
0000	0.0	0.0	0.0	0.0			0.0	0.0	0.4	0.0	0.0		10 504	0.00

Entire 2006-2033 period

¹ Linear depreciation according to decision D-2010-020 for request R-3703-2009.
 ² Average weighted prospective capital cost of 6.8%, according to decision D-2005-50.
 ³ Public services tax of 0.55% imposed pursuant to Part VI.4 of the *Taxation Act* (Québec).

Table R4.6-3

Rate impact of the 3rd wind farm call for tenders, based on a distribution of commissionings

CT 2009-02 - 500 MW wind farm R-3638-2013 - Payments of contribution based on commissionings

Cost of project (\$M) Estimated contribution of Distributor (\$M) Operating and Maintenance Costs (\$M) Estimated contribution of Distributor + operating and maintenance costs (\$M)

							Contribution pay	ments (\$M)		Status quo	Transmission	Impact of proposal
											Provider's proposal	
Straight-line d	lepreciation								 			
Average weig	hted prospectiv	e capital cost	12									
Number of ye	s tax (PS1)5 ars											
Voor												
Teals		010 0										
Depre	ciation 2	013-8										
(\$M)												
Depre	ciation 2	013-10										
Depre	ciation 2	014-3										
(\$M)												
Donro	aintion)	014.9										
Depre		014-0										
(\$M)												
Depre	ciation 2	2014-9										
(\$M)												
Depre	ciation 2	015-5										
(\$M)												
Dopro	aintion)	0167										
Depre		.010-7										
(\$M)												
Depre	ciation 2	2016-12										
(\$M)												
Depre	ciation 2	2012-11										
(\$M)												
Donro	aintion)	012 11										
		015-11										
(\$M)												
Depre	ciation											
(\$M)												
Accun	nulated o	leprecia	ation									
(\$M)		F										
Doto h	acar and	holono										
	ase: end	Darance	e									
(\$M)												
Rate b	ase: 13-	balance	average	,								
(\$M)												
Capita	l cost											
I												
(\$M)												
$(\phi \mathbf{W} \mathbf{I})$												
Public	services	stax										
(\$M)												
Total												
(\$M)												
Transi	nission (demand										
1141151	11001011	iuiu	•									
$(\mathbf{W}\mathbf{W})$												
Annua	l rate											
(\$/kW)											

Tableau R4.6-3 Impact tarifaire du 3^e appel d'offres éolien selon une répartition des mises en service

AO 2009-02 - Éolien 500 MW R-3638-2013 - Versements de la contribution réparti selon les Mises en service

rais d'v	Ion estimée	du Distribut	eur (MS) (MS)																97
ontribu	tion estimée	du Distribut	eur + trais d	entretien et	d'exploitatio	on (MS)													11
	ion countee				C Copronanti													Répartition	Impact de
			29 - E														statu quo	selon les MES	propositi
erseme	ints de la cor	ntribution (M	S)														(A)	(B)	(A) - (B
																2013-8		7,5	
																2013-10		3,7	6
																2014-3		6,0	
																2014-0		3,0	
																2014-0		0,0	
																2015.7		3.5	
																2015-9		13.0	
																2016-7		9.1	
		0.4111														2018-12	111,9	55,3	
nortiss oùt mo axe sur ombre	ement linéair yen pondéré les services d'années	re ³ du capital p publics (TS	rospectif" P) ^a																5,69 0,5
knnées	Amortisse ment 2013-8	Amortisse ment 2013-10	Amortisse ment 2014-3	Amortisse ment 2014-5	Amortisse ment 2014-9	Amortisse ment 2015-5	Amortisse ment 2015-7	Amortisse ment 2015-9	Amortisse ment 2016-7	Amortisse ment 2018-12	Amortisse ment	Amortisse ment cumulé	Base de tarification : solde de fin	Base de tarification : moyenne	Coût du capital	Taxe sur les services	Total	Besoins de transport	Tartf
														13 soldes		publics	25		Farmer
2012	(ND)	(MS)	(145)	((NID)	(MB)	(Ma)	(Mb)	((MD)	(Mb)	(ND)	(M3)	(M5)	(MD)	(003)	(Ma)	(ND)	(MB)	(NWV)	(\$/KW)
2013	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	.0.2	-0.2	.11.1	-3.7	.0.2	0.0	.0.4	41 816	.0.01
2014	-0.4	-0.2	-0.2	-0.1	-0.1	0.0	0.0	0.0	0.0	0.0	-0.9	-1.1	-25.9	-10.0	-1.1	-0.1	-2.0	41 912	-0.05
2015	-0,4	-0,2	-0,3	-0,2	-0,3	-0,1	-0,1	-0,2	0,0	0,0	-1,7	-2,8	-44,7	-33,0	-1,9	-0,1	-3.7	42 034	-0,09
2016	-0,4	-0,2	-0,3	-0,2	-0,3	-0,2	-0,2	-0,7	-0,2	0,0	-2,6	-5,3	-51,2	-47,6	-2,7	-0,2	-5,5	42 034	-0,13
2017	-0,4	-0,2	-0,3	-0,2	-0,3	-0,2	-0,2	-0,7	-0,5	0,0	-2,8	-8,2	-48,4	-49,8	-2,8	-0,3	-5,9	42 034	-0,14
2015	-0,4	-0,2	-0,3	-0,2	-0,3	-0,2	-0,2	-0,7	-0,5	0,0	-2,8	-11,0	11,0	-42,6	-2,4	-0,3	-5,5	42 034	-0,13
2019	-0,4	-0,2	-0,3	-0,2	-0,3	-0,2	-0,2	-0,7	-0,5	2,5	0,0	-11,0	11,0	11,0	0,6	0,1	0,7	42 034	0,02
2020	-0,4	-0,2	-0,3	-0,2	-0,3	-0,2	-0,2	-0,7	-0,5	2,8	0,0	-11,0	11,0	11.0	0,6	0,1	0,7	42 034	0,02
2021	-0,4	-0,2	-0,3	-0,2	-0,3	-0,2	-0,2	-0,7	-0,5	2,5	0,0	-11,0	11,0	11,0	0,6	0,1	0,7	42 034	0,02
2022	-0,4	-0,2	-0,3	-0,2	-0,3	-0,2	-0,2	-0,7	-0,5	2,8	0,0	-11.0	11,0	11.0	0,6	0,1	0,7	42 034	0,02
2023	-0,4	-0,2	-0,3	-0,2	-0,3	-0,2	-0,2	-0,7	-0,5	2,0	0,0	-11,0	11,0	11,0	0,0	0,1	0.7	42 034	0,02
2024	-0,4	-0,2	-0,3	-0,2	-0,3	-0,2	-0,2	0.7	-0,5	2,0	0,0	-11,0	11.0	11.0	0,6	0,1	0.7	42 034	0,02
2025	.0.4	-0.7	.0.3	.0.2	.0.3	.0.7	.0.2	0.7	-0.5	2.5	0.0	-11.0	11.0	11.0	0.6	0.1	0.7	42 034	0.02
2025		-0,2	-0,3	-0.2	-0,3	-0,2	-0,2	.0.7	-0.5	2.5	0.0	-11.0	11.0	11.0	0.0	0.1	0.7	42 034	0.02
2025 2026 2027	-0.4		0.2	-0.2	-0.3	-0.2	-0.2	-0.7	-0.5	2.8	0.0	-11.0	11.0	11.0	0.6	0.1	0.7	42 034	0.02
2025 2026 2027 2028	-0,4	-0,2	-0.3					07	-0.5	2,5	0,0	-11,0	11,0	11.0	0,6	0,1	0,7	42 034	0,02
2025 2026 2027 2028 2029	-0,4 -0,4 -0,4	-0,2 -0,2	-0,3	-0,2	-0,3	-0,2	-0,2												
2025 2026 2027 2028 2029 2030	-0,4 -0,4 -0,4 -0,4	-0,2 -0,2 -0,2	-0,3	-0,2	-0,3	-0,2	-0,2	-0,7	-0,5	2,5	0,0	-11,0	11,0	11.0	0,0	0,1	0,7	42 034	0,02
2025 2026 2027 2028 2029 2030 2031	-0,4 -0,4 -0,4 -0,4 -0,4	-0,2 -0,2 -0,2 -0,2	-0,3 -0,3 -0,3	-0,2 -0,2 -0,2	-0,3 -0,3 -0,3	-0,2 -0,2 -0,2	-0,2 -0,2 -0,2	-0,7	-0,5	2,8	0,0	-11.0	11,0	11,0	0,6	0,1	0,7	42 034 42 034	0,02
2025 2026 2027 2028 2029 2030 2031 2031	-0,4 -0,4 -0,4 -0,4 -0,4 -0,4	-0,2 -0,2 -0,2 -0,2 -0,2	-0,3 -0,3 -0,3 -0,3	-0,2 -0,2 -0,2	-0,3 -0,3 -0,3 -0,3	-0,2 -0,2 -0,2 -0,2	-0,2 -0,2 -0,2 -0,2	-0,7 -0,7 -0,7	-0,5 -0,5 -0,5	2,8 2,8 2,8	0,0 0,0	-11,0 -11,0 -11,0	11,0 11,0 11,0	11,0	0,6	0,1 0,1 0,1	0,7 0,7 0,7	42 034 42 034 42 034	0,02 0,02 0,02
2025 2026 2027 2028 2029 2030 2031 2032 2032 2033	-0,4 -0,4 -0,4 -0,4 -0,4 -0,4 -0,3	-0,2 -0,2 -0,2 -0,2 -0,2 -0,2	-0,3 -0,3 -0,3 -0,3 -0,3 -0,3	-0,2 -0,2 -0,2 -0,2 -0,2	-0,3 -0,3 -0,3 -0,3	-0,2 -0,2 -0,2 -0,2	-0,2 -0,2 -0,2 -0,2 -0,2	-0,7 -0,7 -0,7 -0,7	-0,5 -0,5 -0,5 -0,5	2,8 2,8 2,8 2,8	0,0 0,0 0,0 0,2	-11,0 -11,0 -11,0 -10,8	11,0 11,0 11,0 10,5	11,0 11,0 11,0 11,0	0,6 0,6 0,6	0,1 0,1 0,1 0,1	0,7 0,7 0,7 0,8	42 034 42 034 42 034 42 034	0,02 0,02 0,02 0,02
2025 2026 2027 2028 2029 2030 2031 2032 2033 2033 2034	-0,4 -0,4 -0,4 -0,4 -0,4 -0,4 -0,3 0,0	-0,2 -0,2 -0,2 -0,2 -0,2 -0,2 0,0	-0,3 -0,3 -0,3 -0,3 -0,3 -0,3 -0,1	-0,2 -0,2 -0,2 -0,2 -0,2 -0,1	-0,3 -0,3 -0,3 -0,3 -0,3 -0,2	-0,2 -0,2 -0,2 -0,2 -0,2 -0,2	-0,2 -0,2 -0,2 -0,2 -0,2 -0,2	-0,7 -0,7 -0,7 -0,7 -0,7	-0,5 -0,5 -0,5 -0,5 -0,5	2,8 2,8 2,8 2,8 2,8	0,0 0,0 0,2 0,9	-11,0 -11,0 -11,0 -10,8 -9,9	11,0 11,0 11,0 10,5 9,9	11,0 11,0 11,0 11,0 10,4	0,6 0,6 0,6 0,6	0,1 0,1 0,1 0,1 0,1	0,7 0,7 0,8 1,6	42 034 42 034 42 034 42 034 42 034 42 034	0,02 0,02 0,02 0,02 0,02
2025 2026 2027 2028 2029 2030 2031 2032 2033 2033 2034 2035	-0,4 -0,4 -0,4 -0,4 -0,4 -0,4 -0,3 0,0 0,0	-0,2 -0,2 -0,2 -0,2 -0,2 -0,2 0,0 0,0	-0,3 -0,3 -0,3 -0,3 -0,3 -0,3 -0,1 0,0	-0,2 -0,2 -0,2 -0,2 -0,2 -0,1 0,0	-0,3 -0,3 -0,3 -0,3 -0,2 -0,2 0,0	-0,2 -0,2 -0,2 -0,2 -0,2 -0,2 -0,2 -0,1	-0,2 -0,2 -0,2 -0,2 -0,2 -0,2 -0,2 -0,1	-0,7 -0,7 -0,7 -0,7 -0,7 -0,5	-0,5 -0,5 -0,5 -0,5 -0,5 -0,5	2,8 2,8 2,8 2,8 2,8 2,8	0,0 0,0 0,2 0,9 1,7	-11,0 -11,0 -10,8 -9,9 -8,2	11,0 11,0 11,0 10,8 9,9 8,2	11,0 11,0 11,0 10,4 9,2	0,6 0,6 0,6 0,6 0,5	0,1 0,1 0,1 0,1 0,1 0,1	0,7 0,7 0,7 1,6 2,3	42 034 42 034 42 034 42 034 42 034 42 034 42 034	0,02 0,02 0,02 0,02 0,04 0,05
2025 2026 2027 2028 2029 2030 2031 2032 2033 2034 2035 2036	-0,4 -0,4 -0,4 -0,4 -0,4 -0,4 -0,3 0,0 0,0 0,0	-0,2 -0,2 -0,2 -0,2 -0,2 -0,2 0,0 0,0 0,0	-0,3 -0,3 -0,3 -0,3 -0,3 -0,1 0,0 0,0	-0,2 -0,2 -0,2 -0,2 -0,2 -0,1 0,0 0,0	-0,3 -0,3 -0,3 -0,3 -0,2 0,0 0,0	-0,2 -0,2 -0,2 -0,2 -0,2 -0,2 -0,2 -0,2	-0,2 -0,2 -0,2 -0,2 -0,2 -0,2 -0,2 -0,1 0,0	-0,7 -0,7 -0,7 -0,7 -0,7 -0,5 0,0	-0,5 -0,5 -0,5 -0,5 -0,5 -0,5 -0,3	2,8 2,8 2,8 2,8 2,8 2,8 2,8	0,0 0,0 0,2 0,9 1,7 2,6	-11,0 -11,0 -10,8 -9,9 -8,2 -5,7	11,0 11,0 10,8 9,9 8,2 5,7	11,0 11,0 11,0 10,4 9,2 7,0	0,6 0,6 0,6 0,6 0,5 0,5	0,1 0,1 0,1 0,1 0,1 0,1 0,1	0.7 0.7 0.8 1.6 2.3 3.0	42 034 42 034 42 034 42 034 42 034 42 034 42 034 42 034	0,02 0,02 0,02 0,02 0,04 0,05 0,07
2025 2026 2027 2028 2029 2030 2031 2032 2033 2034 2035 2036 2037	-0,4 -0,4 -0,4 -0,4 -0,4 -0,4 -0,4 -0,3 0,0 0,0 0,0 0,0	-0,2 -0,2 -0,2 -0,2 -0,2 -0,2 0,0 0,0 0,0 0,0	-0,3 -0,3 -0,3 -0,3 -0,3 -0,1 0,0 0,0 0,0	-0,2 -0,2 -0,2 -0,2 -0,2 -0,1 0,0 0,0 0,0	-0,3 -0,3 -0,3 -0,3 -0,2 0,0 0,0 0,0	-0,2 -0,2 -0,2 -0,2 -0,2 -0,2 -0,2 -0,1 0,0 0,0	-0,2 -0,2 -0,2 -0,2 -0,2 -0,2 -0,1 0,0 0,0	-0,7 -0,7 -0,7 -0,7 -0,7 -0,5 0,0 0,0	-0,5 -0,5 -0,5 -0,5 -0,5 -0,5 -0,3 0,0	2,8 2,8 2,8 2,8 2,8 2,8 2,8 2,8 2,8	0,0 0,0 0,2 0,9 1,7 2,6 2,8	-11,0 -11,0 -10,8 -9,9 -8,2 -5,7 -2,8	11,0 11,0 10,8 9,9 8,2 5,7 2,8	11,0 11,0 11,0 10,4 9,2 7,0 4,2	0,6 0,6 0,6 0,6 0,5 0,4 0,2	0,1 0,1 0,1 0,1 0,1 0,1 0,0 0,0	0,7 0,7 0,8 1,6 2,3 3,0 3,1	42 034 42 034 42 034 42 034 42 034 42 034 42 034 42 034 42 034	0,02 0,02 0,02 0,02 0,04 0,05 0,07 0,07

Entire 2013-2038 period

¹ Linear depreciation according to decision D-2010-020 for request R-3703-2009. ² Average weighted prospective capital cost of 5.698%, according to decision D-2012-059 for request R-3777-2011..

³ Public services tax of 0.55% imposed pursuant to Part VI.4 of the *Taxation Act* (Québec).

Table 4.6-4

Rate impact of the 3rd wind farm call for tenders, based on a distribution of the MW of power

CT 2009-02- 500 MW Wind farm R3836-2013 - Payments of contribution distributed based on MWs

Cost of project (\$M) Estimated contribution of Distributor (\$M) Operating and Maintenance Costs (\$M) Estimated contribution of Distributor + operating and maintenance costs (\$M)

				Contribution payments (\$M)		Status quo	Transmission Provider's proposal	Impact of proposal
Straight-line depreciation Average weighted prospective capital c Public services tax (PST)3 Number of years	cost2							

Years
Depreciation 2013-8
(\$M)
Depreciation 2013-10
Depreciation 2014-3
(\$M)
Depreciation 2014-8
(\$M)
Depreciation 2014-9
(\$M)
Depreciation 2015-5
(\$M)
Depreciation 2015-7
(\$M)
Depreciation 2015-9
(\$M)
Depreciation 2018-12
(\$M)
Depreciation
(\$M)
Accumulated depreciation
(\$M)
Rate base: end balance
(\$M)
Rate base: 13-balance average
(\$M)
Capital cost
(\$M)
Public services tax
(\$M)
Total
(\$M)
Transmission demand
(MW)
Annual rate
(\$/kW)

Tableau R4.6-4 Impact tarifaire du 3^e appel d'offres éolien selon une répartition des MW de puissance

AO 2009-02 - Éolien 500 MW R-3836-2013 - Versements de la contribution répartis selon les MW

rais d'en	ojet (MS) on estimée tretien et d'i	du Distribut	(MS)															281, 97, 14,
ontributi	on estimée	du Distribut	teur + frais d	'entretien et	d'exploitatio	on (MS)												111
	de de la cour	nhih dian (1)	181													statu quo	Répartition selon les MW	Impact de l proposition
erseme	its de la cor	nmbusion (M	12)												2012.8	(A)	(8)	(A) - (B)
															2013-0		0.2	-10,
															2013-10		100	10
															2014.5		9.4	
															2014.9		9.7	
															2015-5		9.6	-9
															2015.7		9.5	
															2015.9		27.8	.27
															2018-12	111.9	21,0	111
nortisse	ment Inéal	ire																
oût moy axe sur l ombre d	en pondéré es services années	du capital p publics (TS	P) ³															5,698 0,55 2
	25 73	83 19	SF 823	82 84	25 28	53 72	81.322	32 32	0. 12		St. 2015	87 15	Base de		Taxe sur			
	Amortisse	Amortisse	Amortisse	Amortisse	Amortisse	Amortisse	Amortisse	Amortisse	Amortisse	Amortisse	Amortisse	Base de	tarification :	Coût du	les		Besoins de	Tarif
Annees	ment	ment	ment	ment	ment	ment	ment	ment	ment	ment	ment	tarincation :	moyenne	capital	services	1002	transport	annuel
	2013-0	2013-10	2014-3	2014-0	2014-9	2010-0	2010-7	2015-9	2010-12		cumule	solde de fin	13 soldes		publics			
	(MS)	(1/5)	(MS)	(M\$)	(1/6)	(M\$)	(1/15)	(M\$)	(M\$)	(1/15)	(M\$)	(145)	(MS)	(1.6)	(MS)	(MS)	(MW)	(\$RW)
2012			1.0000			11111111111	and a second	2020000			Sec. 14				0.000	1000	41 744	<pre>control = c</pre>
2013	-0,3	-0,1	0,0	0,0	0,0	0,0	0,0	0,0	0,0	-0,4	-0,4	-27,2	-9,1	-0,5	0,0	-0,9	41 516	-0,02
	-0.9	-0,5	-0.7	-0,2	-0,1	0,0	0,0	0,0	0,0	-2,4	-2,7	-62,2	-47,2	-2,7	-0,1	-5,2	41 912	-0,12
2014																		
2014	-0,9	-0,5	-0,9	-0,5	-0,5	-0,3	-0,2	-0,3	0,0	-4,1	-6,8	-105,0	-79,2	-4,5	-0,3	-5,9	42 034	-0,21
2014 2015 2016	-0,9 -0,9	-0,5	-0,9 -0,9	-0,5	-0,5	-0,3 -0,5	-0,2 -0,5	-0,3 -1,4	0,0	-4,1	-6,8	-105,0 -99,4	-79,2	-4,5	-0,3	-5,9	42 034 42 034	-0,21
2014 2015 2016 2017	-0,9 -0,9 -0,9	-0,5 -0,5 -0,5	-0,9 -0,9 -0,9	-0,5 -0,5 -0,5	-0,5 -0,5 -0,5	-0,3 -0,5 -0,5	-0,2 -0,5 -0,5	-0,3 -1,4 -1,4	0,0 0,0	-4,1 -5,6 -5,6	-6,8 -12,4 -18,0	-105,0 -99,4 -93,9	-79,2 -102,2 -96,7	-4,5 -5,8 -5,5	-0,5	-6,9 -12,0 -11,6	42 034 42 034 42 034	-0,21 -0,29 -0,28
2014 2015 2016 2017 2018	-0,9 -0,9 -0,9 -0,9	-0,5 -0,5 -0,5 -0,5	-0,9 -0,9 -0,9 -0,9	-0,5 -0,5 -0,5	-0,5 -0,5 -0,5 -0,5	-0,3 -0,5 -0,5 -0,5	-0,2 -0,5 -0,5 -0,5	-0,3 -1,4 -1,4 -1,4	0,0 0,0 0,0	-4,1 -5,6 -5,6 -5,6	-6,8 -12,4 -18,0 -23,6	-105,0 -99,4 -93,9 23,6	-79,2 -102,2 -96,7 -82,5	-4,5 -5,8 -5,5 -4,7	-0,5 -0,5 -0,5	-8,9 -12,0 -11,5 -10,8	42 034 42 034 42 034 42 034	-0,21 -0,29 -0,25 -0,25
2014 2015 2016 2017 2018 2018	-0,9 -0,9 -0,9 -0,9 -0,9	-0,5 -0,5 -0,5 -0,5	-0,9 -0,9 -0,9 -0,9 -0,9	-0,5 -0,5 -0,5 -0,5	-0,5 -0,5 -0,5 -0,5	-0,3 -0,5 -0,5 -0,5 -0,5	-0,2 -0,5 -0,5 -0,5 -0,5	-0,3 -1,4 -1,4 -1,4 -1,4	0,0 0,0 0,0 5,6	-4,1 -5,6 -5,6 -5,6 0,0	-6,8 -12,4 -18,0 -23,6 -23,6	-105,0 -99,4 -93,9 23,6 23,6	-79,2 -102,2 -96,7 -82,5 23,6	-4,5 -5,8 -5,5 -4,7 1,3	-0,3 -0,6 -0,5 -0,5 0,1	-8,9 -12,0 -11,6 -10,8 1,5	42 034 42 034 42 034 42 034 42 034 42 034	-0,21 -0,29 -0,25 -0,25 0,04
2014 2015 2016 2017 2018 2019 2020	-0,9 -0,9 -0,9 -0,9 -0,9 -0,9	-0,5 -0,5 -0,5 -0,5 -0,5 -0,5	-0,9 -0,9 -0,9 -0,9 -0,9 -0,9	-0,5 -0,5 -0,5 -0,5 -0,5 -0,5	-0,5 -0,5 -0,5 -0,5 -0,5 -0,5	-0,3 -0,5 -0,5 -0,5 -0,5 -0,5	-0,2 -0,5 -0,5 -0,5 -0,5 -0,5	-0,3 -1,4 -1,4 -1,4 -1,4 -1,4	0,0 0,0 0,0 5,6 5,6	-4,1 -5,6 -5,6 -5,6 0,0 0,0	-6,8 -12,4 -18,0 -23,6 -23,6 -23,6	-105,0 -99,4 -93,9 23,6 23,6 23,6	-79,2 -102,2 -96,7 -82,5 23,6 23,6	-4,5 -5,8 -5,5 -4,7 1,3 1,3	-0,3 -0,6 -0,5 -0,5 0,1 0,1	-0,9 -12,0 -11,6 -10,8 1,5 1,5	42 034 42 034 42 034 42 034 42 034 42 034 42 034	-0,21 -0,29 -0,28 -0,28 0,04 0,04
2014 2015 2016 2017 2018 2019 2020 2020	-0,9 -0,9 -0,9 -0,9 -0,9 -0,9 -0,9 -0,9	-0,5 -0,5 -0,5 -0,5 -0,5 -0,5 -0,5	-0,9 -0,9 -0,9 -0,9 -0,9 -0,9 -0,9	-0,5 -0,5 -0,5 -0,5 -0,5 -0,5 -0,5	-0,5 -0,5 -0,5 -0,5 -0,5 -0,5 -0,5	-0,3 -0,5 -0,5 -0,5 -0,5 -0,5 -0,5	-0,2 -0,5 -0,5 -0,5 -0,5 -0,5 -0,5	-0,3 -1,4 -1,4 -1,4 -1,4 -1,4 -1,4	0,0 0,0 0,0 5,6 5,6 5,6	-4,1 -5,6 -5,6 0,0 0,0 0,0	-6,8 -12,4 -18,0 -23,6 -23,6 -23,6 -23,6	-105,0 -99,4 -93,9 23,6 23,6 23,6 23,6	-79,2 -102,2 -96,7 -82,5 23,6 23,6 23,6	-4,5 -5,5 -4,7 1,3 1,3 1,3	-0,3 -0,6 -0,5 -0,5 0,1 0,1 0,1	-0,9 -12,0 -11,6 -10,8 1,5 1,5 1,5	42 034 42 034 42 034 42 034 42 034 42 034 42 034 42 034	-0,21 -0,29 -0,28 -0,28 0,04 0,04 0,04
2014 2015 2016 2017 2018 2019 2020 2021 2022	-0,9 -0,9 -0,9 -0,9 -0,9 -0,9 -0,9 -0,9	-0,5 -0,5 -0,5 -0,5 -0,5 -0,5 -0,5 -0,5	-0,9 -0,9 -0,9 -0,9 -0,9 -0,9 -0,9 -0,9	-0,5 -0,5 -0,5 -0,5 -0,5 -0,5 -0,5 -0,5	-0,5 -0,5 -0,5 -0,5 -0,5 -0,5 -0,5 -0,5	-0,3 -0,5 -0,5 -0,5 -0,5 -0,5 -0,5 -0,5	-0,2 -0,5 -0,5 -0,5 -0,5 -0,5 -0,5 -0,5	-0,3 -1,4 -1,4 -1,4 -1,4 -1,4 -1,4 -1,4	0,0 0,0 0,0 5,6 5,6 5,6	-4,1 -5,6 -5,6 0,0 0,0 0,0 0,0	-6,8 -12,4 -18,0 -23,6 -23,6 -23,6 -23,6 -23,6	-105,0 -99,4 -93,9 23,6 23,6 23,6 23,6 23,6 23,6	-79,2 -102,2 -96,7 -62,5 23,6 23,6 23,6 23,6	-4,5 -5,8 -5,5 -4,7 1,3 1,3 1,3 1,3	-0,3 -0,6 -0,5 -0,5 0,1 0,1 0,1	-0,9 -12,0 -11,6 -10,8 1,5 1,5 1,5 1,5	42 034 42 034 42 034 42 034 42 034 42 034 42 034 42 034	-0,21 -0,29 -0,26 -0,26 0,04 0,04 0,04 0,04
2014 2015 2016 2017 2018 2019 2020 2021 2022 2022 2023	-0,9 -0,9 -0,9 -0,9 -0,9 -0,9 -0,9 -0,9	-0,5 -0,5 -0,5 -0,5 -0,5 -0,5 -0,5 -0,5	-0,9 -0,9 -0,9 -0,9 -0,9 -0,9 -0,9 -0,9	-0,5 -0,5 -0,5 -0,5 -0,5 -0,5 -0,5 -0,5	-0,5 -0,5 -0,5 -0,5 -0,5 -0,5 -0,5 -0,5	-0,3 -0,5 -0,5 -0,5 -0,5 -0,5 -0,5 -0,5 -0,5	-0,2 -0,5 -0,5 -0,5 -0,5 -0,5 -0,5 -0,5 -0,5	-0,3 -1,4 -1,4 -1,4 -1,4 -1,4 -1,4 -1,4 -1,4	0,0 0,0 0,0 5,6 5,6 5,6 5,6 5,6	-4,1 -5,6 -5,6 0,0 0,0 0,0 0,0 0,0 0,0	-6,8 -12,4 -18,0 -23,6 -23,6 -23,6 -23,6 -23,6 -23,6	-105,0 -99,4 -93,9 23,6 23,6 23,6 23,6 23,6 23,6 23,6	-79,2 -102,2 -96,7 -82,5 23,6 23,6 23,6 23,6 23,6 23,6	-4,5 -5,8 -5,5 -4,7 1,3 1,3 1,3 1,3 1,3	-0,3 -0,6 -0,5 -0,5 0,1 0,1 0,1 0,1	-8,9 -12,0 -11,6 1,5 1,5 1,5 1,5 1,5	42 034 42 034 42 034 42 034 42 034 42 034 42 034 42 034 42 034 42 034	-0,21 -0,29 -0,26 -0,26 0,04 0,04 0,04 0,04 0,04
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2014 2015 2016 2017 2018 2020 2021 2022 2023 2024 2025 2026 2025 2026 2025 2026 2027 2025 2026 2027 2026 2027 2028 2029 2030 2031 2032 2033 2034 2035	$\begin{array}{c} 0.9\\ -0.9\\ $	45 45 45 45 45 45 45 45 45 45 45 45 45 4	0,9 0,9 0,9 0,9 0,9 0,9 0,9 0,9 0,9 0,9	-0,5 -0,5 -0,5 -0,5 -0,5 -0,5 -0,5 -0,5	0,5 0,5 0,5 0,5 0,5 0,5 0,5 0,5 0,5 0,5	0.3 0.5 0.5 0.5 0.5 0.5 0.5 0.5 0.5 0.5 0.5	02 05 05 05 05 05 05 05 05 05 05 05 05 05	0.3 -1.4 -1.4 -1.4 -1.4 -1.4 -1.4 -1.4 -1.4	0,0 0,0 0,0 5,6 5,6 5,6 5,6 5,6 5,6 5,6 5,6 5,6 5,6	-4,1 -5,6 -5,6 0,0 0,0 0,0 0,0 0,0 0,0 0,0 0,0 0,0 0	-6,8 -12,4 -18,0 -23,6 -	-105,4 -93,9 23,6 23,6 23,6 23,6 23,6 23,6 23,6 23,6	-79,2 -102,2 -96,7 -82,5 23,6 23,6 23,6 23,6 23,6 23,6 23,6 23,6	4,5 5,5 4,7 1,3 1,3 1,3 1,3 1,3 1,3 1,3 1,3 1,3 1,3	-0.6 -0.6 -0.5 -0.5 0.1 0.1 0.1 0.1 0.1 0.1 0.1 0.1 0.1 0.1	-0,9 -12,0 -11,6 -10,8 1,5 1,5 1,5 1,5 1,5 1,5 1,5 1,5 1,5 1,5	$\begin{array}{c} 42\ 034\\ 42\ 0$	-0,21 -0,28 -0,28 -0,28 0,04 0,04 0,04 0,04 0,04 0,04 0,04 0,0
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Entire 2013-2038 period ¹ Linear depreciation according to decision D-2010-020 for request R-3703-2009. ² Average weighted prospective capital cost of 5.698%, according to decision D-2012-059 for request R-3777-2011..

³ Public services tax of 0.55% imposed pursuant to Part VI.4 of the *Taxation Act* (Québec).

4.7 Please explain the differences between the amounts of the commissionings of references (iii) to (v) for the projects relating to cases R-3631-2007 and R-3742-2010.

R4.7

In the following table, the Transmission Provider presents a reconciliation of the amounts presented in this case as well as those presented in the Transmission Provider's 2012 Annual Report. The variations can be explained mainly by three factors:

- For the purposes of the 2012 Annual Report's rendering of account to the Régie, the Transmission Provider presents the costs of the regional network upgrade work in Matapédia as part of the integration of the wind farms (R-3560-2005) and the costs of the Matapédia project (R-3631-2007) separately, the first costs being subject to a separate authorization;

- The telecommunication work does not figure in the Transmission Provider's rendering of account in the 2012 Annual Report, seeing as the telecommunication assets were not regulated at the time the Matapédia project was authorized;

- The contribution is calculated by excluding the operating and maintenance costs.

Table R4.7-1

Reconciliation of the amounts presented in Schedule 1 to R-3888-2014 and the amounts presented in the 2012 Annual Report to the Régie for the project pertaining to R-3631-2007

	2006	2007	2008	2009	2010	2011	2012
	M\$	M\$	M\$	M\$	M\$	M\$	M\$
Annexe 1	26,4	18,5	61,7	122,2	22,3	208,4	3,5
Mise à niveau	(13,2)	(4,6)	(2,9)	(2,6)		-	8 4 0
Télécom	(3,0)	-	(3,1)	(1,4)	0,2	(4,8)	-
Frais d'exploitation et d'entretien	1,3	-	5,9	3,3	54	10,6	0,9
Autres	1,1	· ·	0,3	0,6	0,3	-	0,2
Conciliation annexe 1	12,6	13,9	<mark>61,</mark> 9	122,1	22,8	214,2	4,6
Rapport annuel	12,6	13,9	61,9	122,1	22,8	214,2	4,6
Écart	-		-	2-32	-		

Schedule 1

Upgrade Telecom

Operating and maintenance costs

Others

Reconciliation, Schedule 1

Annual Report

Discrepancy

What is more, the Transmission Provider points out that the data for 2013 presented in the context of this case were taken from R-3823-2012 and are estimates.

The Transmission Provider reconciles the discrepancies between the amounts indicated in this case and those presented in the Transmission Provider's 2013 Annual Report. As mentioned earlier, the operating and management costs are not reflected in the calculation of the contribution. Consequently, these costs do not appear in the aggregation of the Distributor's projects.

The main discrepancies resulting from the comparison between the actual and estimated data can be explained by the failure to complete the work to connect the des Moulins wind park and an increase in the costs of connecting the Seigneurie de Beaupré 2 & 3 wind farms.

The following table presents the reconciliation of the amounts in this case and the amounts presented in the Transmission Provider's 2013 Annual Report to the Régie.

1 able K4.7-2
Reconciliation of the amounts presented in Schedule 1 to R-3888-2014
with the amounts presented in the 2013 Annual Report to the Régie for the project
pertaining to R-3742-2010

Table D47 2

	2011 M\$	2012 M\$	2013 M\$
Annexe 1	5,3	206,6	240,7
Frais d'exploitation et d'entretien		8,4	21,0
Travaux Des Moulins non réalisés			(12,4)
Écart Réel - Prévision			7,3
Seigneurie de Beaupré 2 & 3			
Autres	0,6	0,4	(5,4)
Conciliation annexe 1	5,9	215,4	251,2
Rapport annuel	5,9	215,4	251,2
Écart	-	-	-

Schedule 1

Operating and maintenance costs Des Moulins work not completed Actual discrepancy - Forecast Seigneurie de Beaupré 2 & 3 Others Reconciliation, Schedule 1 Discrepancy

4.8 Please explain the \$26.4 million regarding the surplus to be paid by the Distributor in 2013, as mentioned in reference (iii), for the 1st call for tenders respecting the integration of wind farms.

R4.8

In the following table, the Transmission Provider presents the calculation of the contribution assumed by the Distributor as part of the Matapédia project.

Table R4.8

Determination of the contribution assumed by the Distributor for the Matapédia project

Total costs of the Matapédia project	\$M 484.2		
Calculation of the Distributor's contribution	10 112		
Maximum allowance of the Transmission Provider	457.8		

(i.e. \$560/kW * 817.5 MW = \$457.8 million

Contribution assumed by the Distributor 3	0.4
Operating and maintenance costs applicable to the surplus (15%)	4.0
Surplus assumed by the Distributor 2	6.4

The total costs of the Matapédia project are taken from R-3823-2012, to which the Transmission Provider has added \$21.6 million in telecommunication costs, as well as \$34.8 million for upgrading the 8 cycles. For the purposes of calculating the contribution, the Transmission Provider has deducted \$22 million in operating and maintenance costs.

5. References:	(i) Exhibit B-0015, p. 16;			
	(ii)	Exhibit B-0011, p. 15;		
	(iii)	Exhibit B-0016, 15 and 16.		

Preamble:

(i) *"Requests:*

6.1 Please specify how the Transmission Provider currently applies the maximum allowance to resource projects.

R6.1

In the case of resource projects, the Transmission Provider establishes the maximum amount for network upgrades based on the maximum allowance in effect upon the execution of the connection agreement entered into between the Transmission Provider and the generating station's owner, and the new maximum capacity to be transmitted from the generating station.

The Transmission Provider will also estimate whether a contribution will be required from the customer.

Once all of the scheduled commissionings needed to connect this new resource have been completed, the Transmission Provider compares the total actual costs to the value of the maximum amount for the network upgrades previously calculated. If the actual costs are greater than the value of the maximum amount for the network upgrades, the Transmission Provider claims a contribution from the customer that requested the connection of this new resource."

(ii) "When the Régie examined the Transmission Provider's applications for authorization to integrate wind energy plants into the transmission system, it reserved its decisions on the estimated contribution from the Distributor for integrating these projects until the issues were addressed in this proceeding. Until the Régie has ruled on this issue, possibly at the conclusion of this proceeding, <u>the Transmission Provider has no choice but to apply the existing regulatory framework</u>." [emphasis added]

(iii) "For illustrative purposes, the Transmission Provider presents in Appendix 1 the results of application of its proposal to the Distributor's projects. As the table reflects, the Transmission Provider is proposing that resource projects commissioned since 2006 be factored into the calculation of the Distributor's contribution in accordance with this proposal. The Transmission

Provider's proposal would apply from the year in which the aggregation was introduced into the Transmission Tariff, i.e. 2006. The Transmission Provider is applying this measure to the aggregations that have already been filed with the Régie, since the Régie has reserved decision on estimating the Distributor's contributions for these projects. The table shows the annual aggregations that were used to assess the Distributor's required contribution and were filed in the rate applications, plus the resource projects that were commissioned. Under this proposal, the Distributor would have had to make an additional contribution estimated at \$444.1 million, plus operating and maintenance expenses. This contribution will be included in a future rate application, following the Régie's decision." [footnotes omitted]

Requests:

5.1 Please define "resource project".

R5.1

The resource project referred to in the preamble is a shortened expression that refers to a project to integrate with the resource system of the Distributor to supply the native load.

The Transmission Provider also refers to the definition of Distributor Resources on page 18 of the OATT: "Any resource designated by the Distributor as defined herein and applicable to Native-Load Transmission Service, including heritage pool electricity under the Act respecting the Régie de l'énergie (R.S.Q., c. R-6.01) and any other resource of the Distributor [...]"

What is more, the Transmission Provider specifies, at pages 13 and 14 of Exhibit HQT-1, Document 1 revised October 31, 2014, that the resource projects relate to the projects to integrate resources or connect to generating stations. The Transmission Provider proposes integrating the Distributor's resource projects that result from calls for tenders, exemptions or other purchase programs into the project aggregation. The Transmission Provider's proposal is prospective in its application, as explained at greater length in response to request 4.1 of this request for information, as well as in response to request 6.2 of the Régie's request for information no. 1 in Exhibit HQT-4, Document 1.

5.2 Please specify whether or not the Distributor's contributions associated with the three calls for tenders to integrate the wind farms were reflected in the calculation of the amounts presented in Schedule 1.

R5.2

The aggregation of the Distributor's projects, presented by the Transmission Provider in Schedule 1 to Exhibit HQT-4, Document 1, revised October 31, 2014, covers the 2006 to 2014 period. Consequently, only the contribution borne by the Distributor for the first call for tenders is reflected in 2013.

As for the second and third calls for tenders, the Transmission Provider mentions that an initial contribution applies only to the third call for tenders. The Transmission Provider indicates that the estimated cost surplus over and

above the maximum amount attributable to the third call for tenders will materialize in the third year of commissionings (namely 2018). It is at this time that the initial contribution assumed by the Distributor will be claimed.

5.3 Please specify whether or not the amounts integrated in Schedule 1 relating to the resource projects are limited to the maximum allowance associated with each of these projects.

R5.3

The Transmission Provider limited the amount that may be integrated into the aggregation of the Distributor's projects based on the maximum amount calculated for the first call for tenders. As for the second and third calls for tenders, the amounts of the commissionings noted for the period covered in Schedule 1, namely the 2006-2014 period, were less than the values for the calculated maximum amounts. Consequently, for these last two calls for tenders, all of the commissionings that have been completed during or are anticipated for this period are presented in the aggregation.

5.4 In the event the Transmission Provider does not limit the amount that may be integrated into the aggregation to the maximum allowance, please provide the data of Schedule 1 by limiting the amounts that may be integrated therein to the maximum allowance and by identifying the Distributor's initial contribution.

R5.4

See the response to request 5.3.

- **6. References:** (i) Exhibit B-0015, p. 24 and 25;
 - (ii) OATT, section 5.2, p. 24;
 - (iii) OATT, Attachment A, section 7.0, p. 128;
 - (i) Épiciers Unis Métro-Richelieu Inc., division "Éconogros" v. Collin, 2004 SCC 59 (CanLII).

Preamble:

(i) "(...) *R8.1*

The Transmission Provider's proposal being <u>prospective in its application</u> (see also the response to question 6.2), <u>only those projects are presented for which the Régie has reserved its final decision</u> on certain aspects, including the calculation and payment of the contribution, in order that it may be dealt with in this case, and the projects for which a contribution is estimated.

- 1^{st} C/T wind farm;
- $3^{rd} C/T$ wind farm.

[...]

R.8.2

The decision to be rendered in this case <u>will be prospective in its application</u>, as is generally the case for all decisions relating to an amendment to the Open Access Transmission Tariff.

The Transmission Provider emphasizes that this decision will, for each case and in a unique manner, have an impact on the previous final decisions of the Régie relating to the Distributor[.]

With all due respect, one cannot expect the decision to be handed down in this case to have an impact on the contractual framework that was constituted and confirmed under Decision D-2011-083 of the Régie as regards the determination and payment terms of the Generator's contribution. The contribution expected from the Generator in the context of this project will be paid at the time the project is commissioned.

Owing to these very particular circumstances, the Transmission Provider submits that it cannot satisfy the Régie's request. [emphasis added]

(ii) "5.2 Amendments: The rates and conditions herein are subject to Régie decisions, orders and regulations, as these may be amended from time to time."

(iii) *"7.0 Hydro-Québec's OATT is incorporated herein and made a part hereof."*

(iv) "46 <u>The principles of retroactivity, immediate application and retrospectivity of new</u> legislation must not be confused with each other. New legislation does not operate retroactively when it is applied to a situation made up of a series of events that occurred before and after it came into force or with respect to legal effects straddling the date it came into force (Côté, supra, at p. 175). If events are under way when it comes into force, the new legislation will apply in accordance with the principle of immediate application, that is, it governs the future development of the legal situation (Côté, supra, at pp. 152 et seq.). If the legal effects of the situation are already occurring when the new legislation comes into force, the principle of retrospective effect applies. According to this principle, the new legislation governs the future consequences of events that happened before it came into force but does not modify effects that occurred before that date (Côté, supra, at pp. 133 et seq. and pp. 194 et seq.). When new legislation modifies those prior effects, its effect is retroactive (Côté, supra, at pp. 133 et seq.). Professor Driedger gave a good explanation of this distinction between retroactive and retrospective effect:

A retroactive statute is one that operates as of a time prior to its enactment. A retrospective statute is one that operates for the future only. It is prospective, but it imposes new results in respect of a past event. A retroactive statute operates backwards. A retrospective statute operates forwards, but it looks backwards in that it attaches new consequences for the future to an event that took place before the statute was enacted. A retroactive statute changes the law from what it was; a retrospective statute changes the law from what it otherwise would be with respect to a prior event. [emphasis in the original]

(E. A. Driedger, "Statutes: Retroactive Retrospective Reflections" (1978), 56 Can. Bar Rev. 264, p. 268-269)

47 In the case at bar, s. 131 A.I.R.C.C. has retrospective effect. It applies to an event that has already happened, namely the signing of the suretyship contract, but governs only the future effects of the contract. Thus, under this provision, the suretyship is terminated upon cessation of the performance of the surety's duties, except as regards debts already in existence when the new legislation came into force. As s. 131 A.I.R.C.C. does not modify legal effects that occurred before it came into force, its effect is merely retrospective, not retroactive.

48 This application of the new legislation might have been avoided by applying the principle of survival of the former legislation (Côté, supra, at pp. 152 et seq.). As Professor Côté points out, the signing of a contract usually creates rights and obligations, which are considered vested rights and which, generally speaking, remain subject to the former legislation (Côté, supra, at p. 163). This specific case of survival of the former legislation has even been addressed in the first paragraph of s. 4 A.I.R.C.C. However, this principle is not absolute and may be subject to certain exceptions expressly or implicitly provided for by the legislature (Gustavson Drilling (1964) Ltd. v. M.N.R., 1975 CanLII 4 (SCC), [1977] 1 S.C.R. 271, at p. 282; Acme Village School District No. 2296 (Board of Trustees of) v. Steele -Smith, 1932 CanLII 40 (SCC), [1933] S.C.R. 47). [...]" [emphasis added]

The Régie understands that the Transmission Provider responded to requests 8.1 and 8.2 of the Régie's request for information no. 1, limiting itself to the projects in respect of which the Régie has reserved its final decision on certain aspects seeing as it believes its proposal is prospective in its application.

Request:

6.1 Supposing that the amendment to the OATT is retrospective in its effect, as described in reference (iv), as for the time at which payment is made of the contributions for all of the projects underway, and not just for those projects for which the Régie has reserved its final decision on certain aspects, please respond to requests 8.1 and 8.2 of the Régie (Exhibit A-0008) by including all of the projects underway that have been approved by the Régie.

R6.1

As regards projects underway that have been approved by the Régie, for which a contribution has been estimated and whose commissionings are staggered over time, the Transmission Provider notes the projects for the first, second and third calls for tenders in respect of which the Régie has reserved its decisions regarding the estimated contribution by the Distributor and regarding the payment terms of the said contribution, as well as the project to connect to the transmission system of the de la Romaine complex, in respect of which the Régie has rendered its final decision.

The contribution of the project to connect to the transmission system of the de la Romaine complex, net of the contributions for the switchyards that are paid in respect of the specific commissionings of each of them, based on the data available at the time this case was being prepared, is estimated at \$687.3 million, including \$89.7 million in operating and maintenance costs. The payments of this contribution, including the operating and maintenance costs, as of the commissioning at which the project's maximum amount is reached and, thereafter, upon each subsequent commissioning, would be \$555.4 million in 2017, \$6.8 million in 2018, \$0.8 million in 2019 and \$124.3 million in 2020.

This response is provided without any prejudice to the Transmission Provider's right to make any representation respecting the existence and legal effect of established contractual or legal frameworks and the limits set on amending the OATT retroactively or retrospectively. The Transmission Provider also reserves the right to object to any evidence it deems to be illegal in that respect.

Allocation of Costs Among Various Investment Categories

7. References

(i) Exhibit B-0011, p. 21;

- (ii) Exhibit B-0011, p. 22;
- (iii) Exhibit B-0015, p. 33;
- (iv) Exhibit B-0015, p. 34;
- (v) OATT, Attachment J, section C;
- (vi) Exhibit B-0004, p. 13.

Preamble:

(i) "In the case of projects that serve to achieve both growth and durability objectives and only those two objectives, the cost allocation methodology begins by considering asset maintenance needs. This approach is based on the paramount importance of ensuring the durability of the assets that make up the existing network."

(ii) *"For follow-up purposes the Transmission Provider assigns each major piece of equipment and component, such as a transformer or a line, to a single capital category, with some exceptions. These assignments are made taking into account the amounts determined in the allocation of costs to the various categories."*

(iii) "The Transmission Provider reminds us that the equipment is allocated to the various investment categories using the investment categorization process, which is carried out based on the project's objectives. This categorization process is carried out by first applying the proposed sequential method.

Once the cost of each category is obtained using the sequential method, and essentially for follow-up purposes, the Transmission Provider will associate the equipment to the various investment categories so as to allocate the total cost of the project in such a manner as to reflect, where possible, the vocation of the equipment in question, maintaining as best as possible the proportions resulting from the application of the sequential method. While the outcome might result in slightly different proportions than those obtained using the sequential method, the Transmission Provider specifies that it does not privilege any category when using this approach. Consequently, for all projects, it appears highly unlikely that the approach of associating each piece of equipment and major component to one and the same investment category will result in an overestimation of the cost of an investment category. [emphasis added]

For such purposes as those of the annual report to the Régie, the Transmission Provider points out that it must conciliate the objective of the fair allocation of costs with that of a fair and adequate follow-up. Considering the high number of projects carried out each year, the Transmission Provider tries to limit exceptions requiring a particular follow-up."

(iv) *"The Transmission Provider repeats that the current allocation by equipment reproduces, with good accuracy, the attribution that results from applying the sequential method."*

(v) "The costs related to upgrades required to meet needs arising from growth in the Native Load [...] are borne by the Transmission Provider up a maximum amount specified in Section E below, taking into account for all investments associated with projects commissioned by the Transmission

Provider during the year and all load growth that such projects are to serve over a twenty (20) year period."

(vi) "In accordance with Section C of Attachment J to the Transmission Tariff, the Transmission Provider calculates the Distributor's contribution[...] As a result, projects are aggregated on an annual basis. That aggregation is filed with the Régie in rate applications."

To illustrate, the Régie presents the following example:

- The total cost of a project consisting of a satellite substation equipment upgrade reaches \$100 million. This project responds both to demand growth and long-term operability objectives. The Native Load growth associated with this project stands at 100 MW, within a horizon of 20 years after commissioning.
- The allocation of the project's costs amongst the "customer demand growth" and "asset maintenance" interventions is established at 60% and 40%, respectively, based on the attribution method described in (i).
- As described in (ii), in its request for project authorization, the Transmission Provider associates each major component with a single category, with the costs being allocated at 65% and 35% respectively.
- Once the project is completed, the actual cost of the components and the work differs from the cost estimated in the request for project authorization.

Requests:

Using the example given in the preamble:

7.1 Please indicate whether the approach retained by the Transmission Provider, namely allocating costs by equipment, could cause the 60% to 65% proportion of the "customer demand growth" intervention costs to vary. In the affirmative, please specify how the Transmission Provider handles such a situation.

R7.1

As mentioned in reference (iii), the Transmission Provider, essentially for follow-up purposes, allocates equipment to various investment categories in order to distribute the total costs of a project by respecting the proportions resulting from the application of the sequential method as much as possible. However, it is possible that sharing costs by equipment could lead to a variation in the 60% to 65% proportion of the "customer demand growth" intervention costs. That said, this proportion variation can also swing in the opposite direction, namely 60% to 55%. Indeed, the Transmission Provider specifies, in reference (iii), that it does not favour any category in this procedure.

7.2 Please indicate the cost of the "customer demand growth" investment category used by the Transmission Provider to estimate the Distributor's contribution in the project authorization request given as an example.

R7.2

The cost of the "customer demand growth" investment category used by the Transmission Provider to estimate the Distributor's contribution in the request for authorization of the project in the cited example would be \$65 million (65% X \$100 million).

7.3 Please indicate whether the Transmission Provider re-evaluates the cost of each investment category once the actual cost of the project is known.

R7.3

Once the actual cost of the project is known, the cost of each investment category will be based on the taking into account of the actual costs of the major equipment and components of the project, which were allocated to an investment category during the project's authorization phase.

See also the response to request 7.3.2.

7.3.1. If so, please explain how the cost of each investment category is re-evaluated. Please specify whether a new allocation is established based on the cost allocation methodology described in (i).

R7.3.1

Not applicable. See the response to request 7.3.

7.3.2. Please indicate whether the Transmission Provider will change the allocation of major components should the actual cost thereof result in a proportion different from the one considered in the project authorization request for "customer demand growth" interventions.

R7.3.2

The Transmission Provider will not change the allocation of major equipment and components to the investment categories established during the project authorization phase.

7.4 Please provide details on the calculation of the Distributor's contribution once the actual cost is known and the commissioning has been completed.

R7.4

For a project targeting a satellite substation, as defined in the example, the calculation of the Distributor's contribution, once the actual cost is known and the commissioning is completed, is established based on the following elements:

- The actual cost of major equipment and components allocated to the "customer demand growth" investment category;

- The most recent forecast of the Distributor's charges for the zone contemplated by the project;

- The provisions of the Hydro-Québec OATT that applied at the time.

Calculation of the Distributor's contribution is carried out as follows:

Actual cost	of major		Maximum amount (updated		Distributor's	
equipment	and		MW of growth X applicable		contribution	(in the
components	allocated	-	maximum allocation)	=	context	of
to the growth	category				aggregated projects)	load

7.5 Please indicate the cost of the "customer demand growth" investment category integrated into the annual aggregation of Native Load growth projects, pursuant to the terms and conditions given in (v) and (vi).

R7.5

The cost of the "customer demand growth" investment category, integrated into the annual aggregation of Native Load growth projects corresponds to the cost of major equipment and components that are associated therewith during the project authorization phase. As indicated in the response to request 7.2, this cost would be estimated at \$65 million. Then, as indicated in the response to request 7.4, once the project commissioning has been completed and its actual cost is known, that cost would be the actual cost of the major equipment and components associated with the growth category.

7.6 Please specify and quantify what the Transmission Provider means by "good accuracy" in (iv).

R7.6

Equipment is allocated to the various investment categories using the investment categorization process, which is carried out based on the project's objectives, as mentioned in the response to request 13.3 of the Régie's request for information no. 1, in Exhibit HQT-4, Document 1. The allocation of costs to the various categories is first carried out by applying the proposed sequential method.

This allocation is an estimate based on the parametrical assessments conducted during the planning studies and comparisons between the solution retained and the other scenarios, in accordance with the sequential method. A facilities study will be conducted only for the solution retained in order to specify the costs of that solution.

The goal of allocating major equipment and components to the various investment categories is to reproduce as closely as possible the allocation previously established among the investment categories and, if possible, to

reflect the vocation of the equipment in question.

Allocation of Costs Among the Beneficiaries of a Network Upgrade Project

8. References: (i) Exhibit B-0011, p.23; (ii) Exhibit B-0019, p.25.

Preamble:

(i) "The Transmission Provider believes that the waiting list and cost causation principles remain the customary equitable practices for managing customer requests that involve network upgrades. It does not believe that it is departing from the user-pays principle by applying these practices. The requester is a user of the transmission system. When it triggers a network upgrade, this user must cover the entire cost through payment of the transmission tariff and, if applicable, of a contribution.

The Transmission Provider points out that before accepting a request for point-to-point transmission service or a request to connect a generating station, it must examine the transmission system's capacity. If the requested use cannot be accommodated without impairing system reliability, a system impact study is conducted to analyze the impact of the proposed request for transmission service. If the impact study shows that network upgrades are necessary to meet the service request, the Transmission Provider develops an optimal solution that takes into account, among other things, technical, economic, environmental and social considerations."

(ii) *"R24.2*

According to the Open Access Transmission Tariff, the cost of a network upgrade must be borne by the customer that triggered the need for the capital expenditure."

Requests:

8.1 Please specify whether the order of priority achieved through the "waiting list" principle applies exclusively to the handling of customer requests under the Hydro-Québec OATT.

R8.1

Pursuant to section 13.2 of the OATT, Long-Term Firm Point-to-Point Transmission Service shall be available on a first-come, first-served basis, i.e., in the chronological sequence in which each Transmission Customer has requested service.

Pursuant to section 12A.3 of the OATT, the Transmission Provider shall post on its OASIS site the filing date of a complete request to connect to the generating station, to which sections 19, 20 and 21 of the OATT shall also apply as regards the time limits that must be met by the requestor in order to maintain its position in the sequence of the system impact study. These provisions apply to any request of the Distributor to connect generating stations (in other words integrate resources).

Besides the Distributor's Native Load growth needs that arise and are continuously handled, the order of priority resulting from the first-come, firstserved principle applies to the requests of point-to-point customers and to the

Distributor's requests to connect generating stations.

- 8.2 Please specify whether the waiting list principle that prevails in a request's handling remains the current practice in North America and, in particular, under the *pro forma* OATT of the FERC.
- R8.2

Yes, transmission service requests and generation interconnection requests are commonly processed via queues in the U.S. and it is part of the standard business practice across all transmission systems in the U.S.

Specific Risks of Certain Projects

9. References: (i) Exhibit B-0015, p. 28;

(ii) Exhibit B-0016, p. 22;

(iii) R-3738-2010, Decision D-2011-039, par. 440.

Preamble:

(ii) *"The Transmission Provider is of the opinion that the measure, as proposed, adequately addresses the Régie's concern over industrial projects dedicated to serving a single customer <u>in an isolated territory</u>.*

The Transmission Provider sees neither the benefit nor the necessity of expanding this measure that applies to exceptional situations contemplated by the Régie to all of the Distributor's industrial clients.

It points out that industrial customers form an integral part of the native load. As indicated in the response to question 10.1, facilities that are intended to be used to connect industrial customers not located in isolated territories present a strong potential for reuse, given the diversity and multiplicity of the Distributor's load." [emphasis added]

(iii) "The purpose of the first criterion is to identify projects that are liable to have an impact on the revenues required should the customer's operations cease. That impact is assessed by taking into consideration the costs borne by the Transmission Provider, i.e. net of any amount paid back through contributions. The Transmission Provider therefore proposes to consider <u>projects for which it bears</u> costs equal to or greater than \$5 million."

[...]

The Transmission Provider sets the <u>threshold for this ratio</u> at <u>90%</u>. A customer with a ratio equal to or greater than that threshold is deemed to be located in an isolated area.

Prior to payment of the indemnity by the Distributor, a payability test will be applied. This test assesses whether the facilities originally deemed to be "located in an isolated area" and "dedicated to serving a single customer" still qualify for that category, and whether the remainder of the allowance is greater than \$5 million." [emphasis added]

(iv) "The Régie is of the opinion that the risk associated with the investments of an individual

customer also falls on the Transmission Provider. The latter <u>must ensure that the costs it will bear in</u> <u>this case can be recovered thanks to sufficiently high revenues</u>, thus avoiding an increase in its rates. The Transmission Provider's Network Upgrade policy must therefore provide for terms and conditions that <u>circumscribe this risk</u>." [emphasis added]

Requests:

9.1 Please indicate to what extent the Transmission Provider's proposal reflects the concerns expressed by the Régie in reference (iii).

R9.1

The concerns expressed by the Régie in reference (iii) relate to the Transmission Provider's assurance that the costs it bears in the context of an upgrade made at the request of an individual customer may be recovered thanks to sufficiently high revenues generated by that customer, thus avoiding an increase in the Transmission Provider's rates for all of its customers.

The Transmission Provider is of the opinion that its proposal adequately responds to the Régie's concerns, provided that:

- The proposed materiality criterion is based on the fact that a \$5 million investment borne by the Transmission Provider, should it fail to generate revenues because the Distributor's customer ceases the activities for which the investment was made, would have an impact of approximately \$0.01/kW/year on the transmission rate;

- The proposed isolation criterion considerably reduces the risk associated with a project, seeing as projects that do not meet this criterion have a good reuse potential and therefore present relatively little risk of generating a revenue deficiency compared to the anticipated situation.

9.2 Please comment on the expediency of simultaneously using the criterion touching on the assets dedicated to serving a single client and the cost criterion, regardless of the issue of isolation, in order to determine which projects would be subjected to the measure retained.

R9.1

The Transmission Provider believes it is expedient to maintain the isolation criterion for the reasons invoked in request 9.1, more specifically as regards the considerable reduction of the risk associated with a project that meets this criterion.

9.3 Please indicate to what types of facilities with a strong reuse potential the Transmission Provider is referring in (i), specifically in terms of lines (radial, gridded to the network), the installation of substations, etc.

R9.3

The Transmission Provider considers that the following facilities that are not located in isolated territory present a strong potential for reuse:

- Transmission lines;
- Transmission substations;
- Transformers and related equipment;
- Reactive compensation and related equipment.
- **10. Reference:** Exhibit B-0015, p. 29.

Preamble:

"As the Régie suggests in its question, the proposed measure will be <u>integrated into the in-house</u> <u>connection agreement</u>, where applicable."

[...]

The Transmission Provider does not intend to make any amendment to the Open Access

Transmission Tariff. [emphasis added]

Request:

10.1 Please explain how, in the context of a project, the Transmission Provider intends to inform the Régie whether or not this measure applies.

R10.1

The Transmission Provider proposes to pinpoint projects to which this measure is likely to apply in the context of their respective authorization processes, namely:

- for investment projects costing \$25 million and up, in individual requests concerning them;

- for Transmission Provider projects individually costing less than \$25 million, in a request for authorization of the annual investment budget including them.

Afterwards, for a project to which this measure applies, the transmission provider proposes informing the Régie by means of an administrative follow-up.

11. Reference: Exhibit B-0015, p. 29.

Preamble:

"The Transmission Provider suggests applying the proposed measure upon confirmation, by the

Distributor, that its customer will be ceasing its operations, without presuming that they might possibly resume, <u>unless confirmation is received from the Distributor that the cessation is temporary</u> <u>and a resumption is formally planned</u>." [emphasis added]

Requests:

11.1 As regards investments dedicated to the service of a single customer of the Distributor, should that customer temporarily cease its activities, please indicate whether the Transmission Provider intends to apply particular terms and conditions during that period of cessation and after such activities resume. Please justify.

R11.1

As mentioned in the preamble, the Transmission Provider proposes applying the measure only upon receiving confirmation from the Distributor that the customer has ceased its activities. Once this confirmation is given, the Transmission Provider will not presume that the Distributor's customer might resume its activities.

11.2 Where applicable, please describe the terms and conditions contemplated by the Transmission Provider.

R11.2

See the response to request 11.1.

Specific Adjustments to Certain Projects

12. References: (i) R-3738-2010, Decision D-2010-124, p. 22 and 23; (ii) Exhibit B-0004, p. 8.

Preamble:

(i) "[86] The Transmission Provider proposes making specific adjustments to the current economic justification principles of certain projects, such as projects to integrate new sources of renewable energy contemplated by the Distributor's calls for tenders following a request by the Government of Québec and for which ad hoc solutions would be sub-optimal. It asks that the Régie take note of its intentions to implement this approach and to present the terms and conditions therefor in the next rate application.

[87] As investments to integrate wind farm production fall under this category, the Régie cannot examine proposals relating to the Matapédia project without being aware of the procedural requirements thereof.

[88] Seeing as these requirements cannot be contemplated by a case entirely separate from this one, the Régie will therefore deal with those aspects of the policy that apply to the Matapédia project when those requirements are filed in the second phase of this matter."

(ii) The Transmission provider proposes maintaining the existing terms and conditions for projects

to integrate renewable energy sources, and does not intend to make any further specific adjustments for certain projects.

Request:

12.1 Please explains why the specific adjustments referred to in (i) are no longer required. **R12.1**

The Transmission Provider indicated in the evidence of Exhibit HQT-1, Document 1 revised October 31, 2014, at page 32, that it no longer anticipated introducing such an approach. It considers that the terms and conditions proposed in this request adequately frame the terms and conditions for integrating projects such as the projects for integrating renewable energy sources.